

## CoHI – ELGIN OCTOBER 2018 – WRITTEN UPDATE

### HIGHLANDS AND ISLANDS POST-2020

1. The 7 key themes previously identified by CoHI as being crucial to delivering a strong and vibrant economy in the Highlands and Islands are: Digital; Transport; Skills; Talent Attraction; Marine; Energy; and Housing. Work undertaken by the CoHI Senior Officers Group (SOG) to progress these work streams within an overarching project structure is ongoing. All of these updates have been prepared in the evolving context of Brexit; despite continuing uncertainty, it remains crucial that preparations continue at regional level, feeding into the debate where possible and ready to adapt to changing circumstances.

2. As part of the annual reporting structure, updated project plans for all 7 work streams are attached in **Annexes A to G** to provide a general update to CoHI. Substantive updates on specified themes will be provided to Convention Members at opportune Spring and Autumn meetings. Updates on the **Talent Attraction** and **Skills** projects will be provided at the Autumn CoHI.

### HIGHLANDS AND ISLANDS OPERATING ENVIRONMENT

3. It remains the case that these integrated projects sit squarely in the challenging context of a post-EU operating environment. The key issues for the Highlands and Islands continue to be:

- Changing policy / funding landscape
- Future collaborations and partnerships
- Attraction of people / talent
- Access to markets

4. On a changing policy / funding landscape, it remains likely that some aspects of EU policy (regional / rural for example) will not apply to the UK and the associated EU funding will not be available to us. This will clearly necessitate a need to argue for, and secure, funding from new (UK / Scottish) sources. The specific impact on funding, and eligibility of activities, for the Highlands and Islands makes this the main priority for the region, and with so many potential ways to address future funding this should be an urgent priority for CoHI members, and should be taken into consideration when developing individual work streams. The role of the UK Shared Prosperity Fund in this context is not yet clear, but consultation is anticipated later this year. The funding landscape post-2020 will be discussed as a substantive agenda item at the meeting of the Convention on 22<sup>nd</sup> October.

5. On the other three remaining key issues highlighted above, it is very likely that the Highland and Islands' access to collaborative partnership, our ability to attract people and talent from the EU, and our market access will be reduced to some degree and will become more difficult. As previously stated, the detail of each of these is dependent on UK / EU negotiations and is, therefore, not clear at present. As mentioned in paragraph 2, Talent Attraction will be discussed in detail at the Autumn Convention meeting.

**ANNEX A****DIGITAL**

<b>Project work strand:</b>	Digital
<b>Project lead:</b>	Stuart Robertson, Director of Digital Highlands and Islands, Highlands and Islands Enterprise
<b>Project team members:</b>	HIE Digital Team and Economic Development staff from Local Authorities and IT strategy staff from UHI
<b>Project aim/purpose:</b>	<p>The project aim is twofold:</p> <ul style="list-style-type: none"> <li>• to develop a range of actions to maximise the effective and efficient use of digital technologies by the public sector, business and individuals;</li> <li>• to consider and agree a strategy for ensuring that fixed and mobile connectivity across the Highlands and Islands stays up to date following the completion of SG's R100 and Programme and Mobile Action Plan.</li> </ul>
<b>Project plan:</b>	<p>The plan will consist of a range of activities;</p> <p>on the <b>supply-side</b> – encouraging the telecommunications industry to invest in the region through highlighting demand and through indirect and direct public sector investment;</p> <p>on the <b>demand-side</b> – vouchers to encourage take-up, businesses support on digital technologies, innovation and marketing.</p> <p>It will be essential to harness existing initiatives such as the Local Full Fibre Challenge Fund, City/Island Deals and gigabit voucher schemes. HIE and Business Gateway business support will continue in 2018/2019 offering one to one and one to many advice and guidance. Emerging issues such Cyber Security will tackled as they arise.</p> <p>Development of strategies for overcoming the shortage of digital skills will also be a key element and this may involve a wider of range of partners than the core members mentioned above.</p> <p>An area of particular focus should be the consideration of how the public and private sectors can work together to provide modern communications infrastructure and services in areas with small or scattered populations (particularly islands) where there is no commercial case for investment and the cost of deployment is especially high.</p>

<b>Project timetable:</b>	<p>Superfast broadband is now available to more than 78% of the premises in the Highlands and Islands. Take-up is currently around 50% (of those who can access it) and rising. This is encouraging but as R100 brings improved broadband speeds to those without over the next three years, greater take-up and effective use of digital technologies should be further encouraged. Consideration should be given to augmenting existing activities. This can start immediately.</p> <p>The R100 Programme and the Mobile Action Plan are being rolled out over the term of the current Parliament. By 2020 it is essential that we have plan for how the region will progress from superfast to ultrafast (gigabit) and from 4G to 5G.</p>
<b>Risk register:</b>	To be developed as strategic direction is considered and finalised.

**ANNEX B****TRANSPORT**

<b>Project work strand:</b>	<b>EQUALITY OF ACCESS TO 21ST CENTURY TRANSPORTATION SERVICES</b>
<b>Project lead:</b>	Gavin Barr, Director, Development and Infrastructure, Orkney Islands Council
<b>Project team members:</b>	Hitrans, Zetrans, South West of Scotland Regional Transport Partnership, Council leads on Transportation, HIE Regional offices and Transport Lead, NHSO Healthy Living/Walking contacts
<b>Project aim/purpose:</b>	<p>To deliver the following Cohi principles and strategic aims:</p> <ol style="list-style-type: none"> <li>1) Recognition of the prime importance of transportation infrastructure service levels and affordability to life and business prosperity across the region.</li> <li>2) That transport underpins and is essential to the delivery of an inclusive society and economic prosperity as well as direct accessibility of wide range of sectors including health, education, care, tourism and commerce across the region.</li> <li>3) The priority to urgently secure and then maintain common standards of transportation infrastructure and service provision for like for like communities across the Region, with reference to the objective of a comparable, fully integrated, 21st century standard of infrastructure and services across all of Scotland.</li> <li>4) That diversity and uniqueness of communities, geography and economic opportunities across and within the Region, (in particular the position for rural and island communities which have unique and different challenges) requires a greater level of subsidiarity, resourcing and flexibility in the specification and delivery of transportation services.</li> <li>5) To achieve low carbon energy based transport solutions wherever possible and the specific aspiration to identify and deliver progressively toward 100% low carbon transport systems within the region”</li> <li>6) To deliver an appropriate level of infrastructure and service level provision to deliver equal access to services and governance and to enable inclusive growth opportunities for all communities across the COHI region</li> </ol>
<b>Project plan:</b>	<p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• Support and champion all transport infrastructure and service improvement projects across the Region where these fit within the principles and aims outlined below.</li> </ul>

	<ul style="list-style-type: none"> <li>• Input into development of Future Scottish Government Policy and legislative provisions e.g. Islands bill Planning Bill and Transport Bill and National Transport Strategy</li> <li>• To identify options for non-trunk road developments in terms of eligibility for additional funding on a case by case basis, driven by an assessment of the additionality such investment could bring. This could include issues such as pressure on nationally significant of tourist destinations or the potential regional and national economic impact of improving transport routes in support of new commercial ventures. Such funding could be channeled through Regional Transport Partnerships.</li> </ul> <p>Key tasks: Meeting to be arranged with Transport Scotland Officials (Alison Irvine) to discuss the following:</p> <ul style="list-style-type: none"> <li>• Establish a method of collating transportation infrastructure and policy gaps across the Region, with initial cost budget estimations (link to STAG)</li> <li>• Establish a method of monitoring all Government policy and legislative programmes to ensure fit with Cohi principles and strategic aims (outlined above)</li> <li>• Establish a mechanism to “call in” policy and legislative programmes which do not fit with the Cohi principles and strategic aims (outlined above)</li> <li>• Establish mechanism to secure priority in future Transport Scotland decision making on infrastructure projects toward those which satisfy CoHI Principles and strategic aims.</li> </ul>
<b>Project timetable:</b>	Next action before the end of 2018
<b>Risk register:</b>	To be confirmed

## SKILLS

<b>Project work strand:</b>	<b>Skills in Highland and Islands Post 2020</b>
<b>Project lead:</b>	Skills Development Scotland - Seonag Campbell
<b>Project team members:</b>	Representative from SDS, HIE, UHI, Local Authorities, Bord Na Gaidhlig and Lead Officer from Regional Educational Improvement Group (Northern Alliance)
<b>Project aim/purpose:</b>	<p>The Convention of The Highlands and Islands (COHI) identified a series of key themes that require a strategic response, to ensure the Highlands and Islands is informed and well prepared for the potential impact of Brexit. The need to continue to ensure a skilled workforce and skills provision that meet the needs of the economy and enhancements across the education system to raise attainment and ensure sustained positive destination have been identified as key priorities.</p> <p>The Highlands and Islands Skills Investment Plan (HISIP) is the key mechanism for co-ordinating action on education and skills. The five themes of the HISIP are:</p> <ul style="list-style-type: none"> <li>• Meeting the current skills needs of employers</li> <li>• Planning for the future</li> <li>• Strengthening the employers voice in the skills system</li> <li>• People attraction and place attractiveness</li> <li>• Creating a region for young people</li> </ul> <p>The workstream has concluded that these five original themes remain highly relevant in the Highlands and Islands to respond to the challenges the region faces from Brexit, the continued outmigration of young people and an ageing demographic as well as future economic opportunities.</p> <p>Progress with the implementation of the HISIP has been reported to COHI through the HISIP programme Board since 2015.</p> <p>As part of the commitment to ensure it remains responsive to emerging skills challenges and opportunities and the potential impact of Brexit on the region, SDS has</p> <ul style="list-style-type: none"> <li>• Led a review of progress with implementing the H&amp;I SIP Action Plan from 2014-2018</li> <li>• Committed additional resources to ensure the HISIP Action Plan evolves and continues to respond to the challenges facing the region</li> </ul>

<p><b>Project plan update:</b></p>	<p><b>Review of progress with the HISIP Action Plan (2014-2018)</b></p> <p>From April to June 2018, all lead partners identified in the HISIP Action Plan provided details of progress against the specific activity identified in the HISIP</p> <p>.</p> <p>The evidence has been collated and assessed, along with any additional activity that has been delivered in support if the ambitions of the HISIP.</p> <p>Of the 31 specific actions contained in the HISIP:</p> <ul style="list-style-type: none"> <li>• 1 Exceeded aspiration;</li> <li>• 14 Met aspiration/target;</li> <li>• 7 made good progress;</li> <li>• 8 made some progress and</li> <li>• 1 made no progress.</li> </ul> <p>Some of the key achievements delivered over the last four years include:</p> <ul style="list-style-type: none"> <li>• The HISIP Action Plan set a target to deliver 2500 MAs in H&amp;I - this target was exceeded with a total of 2,758 MA starts achieved in 2017-18)</li> <li>• SDS has contracted for the delivery of 420 FAs in the H&amp;I during 2018/20</li> <li>• SFC provided £124+m to support UHI FE provision over academic years 2014-17</li> <li>• SFC provided £106+m in support of UHI HE teaching provision and research over academic years 2014-17</li> <li>• FTE HE student numbers has risen by 24% since 2013/14 and a further 1300 additional HE places are available for 2018-2020</li> <li>• Inverness City Deal will put in place 4 STEM Newton Room hubs in Highland area and all the emerging Rural growth deal have a focus on developing STEM awareness.</li> <li>• SDS Digital Hub in Church Street Inverness offered STEM activities to 6000 pupils and 600+ teacher since its opening in August 2016. 97% of pupils said it was likely they would study science in school and 92% of teachers said they were more likely to encourage pupils about STEM related careers. SDS also established outreach STEM activity in Shetland</li> <li>• School leaver destinations in H&amp;Is increased by +2.2% overall over the period of the review, rising to 95.3% in 2016-17 (nat av 93.7%)</li> </ul>
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	<ul style="list-style-type: none"> <li>• School Leavers in H&amp;Is going directly into employment increased by +2.6% since 2014 with 37.1% of all school leavers going into employment in 2017</li> <li>• SDS delivered 1,212 Transition Training Fund interventions in H&amp;I and 133 in North Ayrshire to O&amp;G workers facing redundancy (funding was a contribution or 100% of training costs up to a max of £4000)</li> </ul> <p><b>Ensuring the H&amp;I SIP Action Plan evolves and responds to the needs of the region</b></p> <p>SDS have committed significant additional resources, along with support from HIE, to ensure the HISIP Action Plan evolves and responds to the population and skills challenges facing the region. This work will include provide and updated analysis and context for each of the local authorities and sub regions that make up the Highlands &amp; Islands.</p> <p>The renewed H&amp;I SIP Action Plan will be led by SDS, with input from all COHI partners and governed through the HISIP Programme Board. The renewed Action Plan set out a clear 10-year vision and ensure the collective response to skills and population challenges in the region. It will be based on evidence gathered and be aligned to the previous HISIP Action Plan to ensure a clear path from the original to the refreshed Action Plan. It will also detail actions, outcomes and outputs within each theme and provide SMART targets to ensure progress can be monitored and reported. This work is expected to be completed in early 2019.</p>
<b>Project timetable:</b>	<ul style="list-style-type: none"> <li>• Updated HISIP Action Plan by February 2019</li> <li>• Presented to COHI in March 2019</li> </ul>



**ANNEX D****TALENT ATTRACTION**

<b>Project work strand:</b>	Talent Attraction
<b>Project lead:</b>	Highlands and Islands Enterprise (David Reid)
<b>Project team members:</b>	CoHI partner organisations (senior level, chaired by HIE CEO)
<b>Project aim/purpose:</b>	<p>The overarching objective of work strand is to:</p> <ul style="list-style-type: none"> <li>• increase the number of working age people living and working in the region;</li> <li>• reverse the forecast decline in population while rebalancing from aging to young/working age residents by achieving year on year positive net migration;</li> <li>• ensure that business located in (or locating into) the Highlands and Islands are able to access an appropriate scale and scope of skilled future talent;</li> <li>• develop a co-ordinated approach across the Highlands and Islands to talent attraction and retention</li> </ul>
<b>Project plan:</b>	<p>The scope of this project strand is to continue to evolve and deliver a regional solution to attract and retain skilled working age population through the Talent Attraction Strategy Action plan which takes into account both local and regional activity.</p> <p>Just as our region is looking to attract and retain skilled working age population; other regions in Scotland are also looking to attract our people away to satisfy their needs. Each partner agency/authority/organisation has a shared responsibility to drive the talent attraction and retention agenda forward with cognisance of the micro and macro position and proposition.</p> <p>It should be noted that most of the building blocks towards addressing the region's talent needs already exist or are in planning, however areas of commonality of need and response at a local level still need to be aligned and this is where HIE is providing a facilitation role in addition to our own direct efforts.</p> <p>It was suggested to CoHI via the October 2017 update paper on Talent Attraction that the governance of the regional talent strategy and action plan be removed from the HISP Programme Board and placed under the control of a new forum. In June 2018, a new high level working group made up of senior officers from CoHI member organisations was created, chaired and facilitated by HIE. The aims of this group are:</p> <ol style="list-style-type: none"> <li>1. To discuss the alignment of individual regional and local plans in the context of an overarching Regional Strategy and Action Plan</li> <li>2. To continually evolve and refine the region's strategic and operational approach to talent</li> </ol>

	<p>3. To understand what the current evidence base is telling us about the demographic challenges</p> <p>4. To identify top priorities for taking forward as a group</p> <p>5. To align with the CoHI Senior Officers Group’s work relating to skills, housing, digital, transportation, marine economy and energy which all contribute to the ongoing development and delivery of the local and regional approach to talent.</p> <p>This group agreed the following top priorities to take forward:</p> <ul style="list-style-type: none"> <li>• Regional Messaging, Information and Marketing</li> <li>• Housing</li> <li>• Education and Skills</li> <li>• Evidence</li> <li>• Policy Influencing</li> </ul> <p>A second meeting of the working group took place in early October 2018 where we looked at international best practice around place positioning and supportive initiatives that attract talent and families to hard-to-reach locations in France. We also discussed how a local-regional and regional-local information and marketing proposition could work, the components that would need to be in place and suggestions around governance models for driving this forward and maintaining once in place. HIE will provide recommendations to the working group for discussion at the next meeting.</p> <p>HIE presented at short discussion paper outlining activities it is best able to lead and/or contribute to against the agreed priorities. Each partner has now been asked to provide the same by re-visiting the Summary and Actions minute from the meeting of 14th June and propose where their organisation fits in to the collaborative approach, which priority areas they intend to lead and what their proposed actions against each area is likely to be. Once collated, we will create a map of actions across the region and identify any gaps that require further discussion around how to address them.</p>																					
<b>Project timetable:</b>	<p>This project strand does not have an articulated timetable at this stage although we are moving towards the creation of a measurement framework with target outputs and timescales attached. This will feature on the next work group agenda. All partners are in-fact already working on their own talent attraction agenda’s and no local activity is being delayed by the absences of a formal regional framework.</p>																					
<b>Risk register:</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr style="background-color: #008000; color: white;"> <td colspan="7" style="padding: 5px;"> <b>Risk - an uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives. Risk is measured by a combination of the probability of a perceived threat or opportunity occurring, and the magnitude of its impact on objectives.</b> </td> </tr> <tr style="background-color: #008000; color: white;"> <td colspan="7" style="padding: 5px;"> <b>Project work strand: TALENT ATTRACTION</b> </td> </tr> <tr style="background-color: #ffff00;"> <td style="width: 25%; padding: 5px;">Risk</td> <td style="width: 25%; padding: 5px;">Controls in Place</td> <td style="width: 25%; padding: 5px;">Action planned</td> <td style="width: 10%; padding: 5px;">Impact</td> <td style="width: 10%; padding: 5px;">Likelihood</td> <td style="width: 10%; padding: 5px;">Risk score</td> <td style="width: 10%; padding: 5px;">Risk owner</td> </tr> </table>	<b>Risk - an uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives. Risk is measured by a combination of the probability of a perceived threat or opportunity occurring, and the magnitude of its impact on objectives.</b>							<b>Project work strand: TALENT ATTRACTION</b>							Risk	Controls in Place	Action planned	Impact	Likelihood	Risk score	Risk owner
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	<p>Economic growth in the Highlands and Islands is constrained by difficulties in attracting and retaining necessary skilled workforce to meet future business demands</p>	<p>1) Regional Strategy and initial action plan in place. 2) High Level Talent Attraction Forum now in place.</p>	<p>COHI partners to engage collaboratively to implement the agreed Talent Action Strategy (TAS) to meet future demand across all sectors, geographies and demographics.</p> <p>TAS to be updated to reflect BREXIT implications, Area Deals and key, high employment creating investment propositions currently being developed which will impact further on the requirement for skilled labour in addition to net replacement demand.</p>	<p>3</p>	<p>2</p>	<p>6</p>	<p>HIE Lead</p>
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**ANNEX E****MARINE**

<b>Project work strand:</b>	Maximising the Marine Economy of the Highlands & Islands (MAXiMAR)
<b>Project lead:</b>	Highlands and Islands Enterprise (Morven Cameron)
<b>Project team members:</b>	The MAXiMAR Consortium is led by HIE and includes UHI, Scottish Aquaculture Innovation Centre (SAIC), Industrial Biotechnology Innovation Centre (IBioIC), Marine Scotland, SAMS/UHI, Heriot Watt University, University of Stirling, MASTS, Wave Energy Scotland, EMEC and the National Oceanographic Centre. A regional team is yet to be established.
<b>Project aim/purpose:</b>	<p>The Highlands and Islands is at the forefront of the development of the marine economy with its abundance of natural marine resource, major test and demonstration infrastructure, and strong science and innovation foundations. Global aquaculture, marine biotechnology and wave &amp; tidal industries, amongst others, are seeking locations to research, test and demonstrate new technologies in the marine environment, and the Highlands &amp; Islands will develop its key strengths to position itself as the most desirable international location. We will develop the key ingredients of scientific knowledge, state-of-the-art equipment and facilities, technical support, business investment, a skilled workforce, and attractive incubation and touchdown space for businesses, and become <b>recognised internationally as the Innovation Region for Marine technologies</b>. In doing so, as well as generating increased economic value to Scotland, the people and communities of the Highlands &amp; Islands will enjoy economic gain through the growth and sustainability of jobs; new investments in key regional infrastructure; and direct benefit from the users of our marine and coastal assets.</p> <p>The aim is to develop a strategy for optimising the marine economy in the region through working in partnership and focussing on key marine-related sectors especially Aquaculture, Marine Biotechnology and Wave &amp; Tidal energy. This strategy is being largely informed by the UK Govt sponsored Science SIA which was finalised at the end of June 2018. The report is due to be published shortly. It has identified 4 specific targeted opportunities:</p> <ol style="list-style-type: none"> <li>1. Create a regional cluster model for marine innovation, technology &amp; skills through: <ol style="list-style-type: none"> <li>A. Workforce development</li> <li>B. A Marine economy innovation infrastructure plan</li> <li>C. Scaling and alignment of science, regional and industry</li> </ol> </li> <li>2. Address challenges associated with routes to market – identifying new markets etc</li> <li>3. Refresh planning &amp; regulation framework</li> <li>4. Develop a regional marine economy prospectus</li> </ol> <p>For information: The excerpt below from the UK Industrial Strategy lists the 25 SIAs now completed across the UK, and the supporting map depicts the geographical coverage of the three waves.</p>

<p><b>Project plan:</b></p>	<p>The Consortium is now working towards delivery of the targeted opportunities and a detailed action plan is under development. A funding bid has been submitted to the UKRI Strength in Places Fund for £46m which seeks investment in Research capacity and capability; enabling test and demonstration infrastructure; and Business R &amp; D funding – as follows:</p> <div style="text-align: center;"> </div> <p>Regardless of the success of the SIPF bid, this multi-faceted project plan will form the blueprint for the MAXiMAR action plan. In support of the above, the Consortium will:</p> <ul style="list-style-type: none"> <li>➤ host multi-sector industry gatherings to determine industry challenges and technological needs and identify routes to market</li> <li>➤ work with SDS and SFC to map the skills and education provision of the marine economy relative to the needs of the Highlands &amp; Islands economy and recommend changes</li> <li>➤ carry out an infrastructure assessment of all key regional assets that support marine innovation, and use this information to inform investment decisions</li> <li>➤ develop a collaboration of marine innovation organisations across the region to ensure a strong, joined up offer (prospectus) is visible to global marine industries for testing and demonstration of new technologies</li> <li>➤ through Marine Scotland and partners, work to address the challenging planning and regulatory environment to support the acceleration of these three sectors</li> <li>➤ develop a strong university collaboration that supports the marine innovation requirements of the region</li> </ul>
<p><b>Project timetable:</b></p>	<p>October 2018 - MAXiMAR Consortium to confirm Action Plan and identify resource requirements; await outcome of SIPF bid;          October 2018 – Work with all COHI partners to align potential investments through Regional Growth DEALS and priority project investments          November – December 2018 – Soft launch of SIA report; consult COHI partners and industry regarding the Action Plan          January 2019 onwards – implement Action Plan</p>

<p><b>Risk register:</b></p>	<p>To be further development, however, top level risks are:</p> <ol style="list-style-type: none"> <li>1. The impact of the SIA is not sufficient enough to attract Scottish and UK interest or support</li> <li>2. Regional Deals in the Islands and Argyll are not fully aligned with marine innovation ambitions</li> <li>3. Partner resources are limited resulting in not delivering the ambitions of the action plan</li> <li>4. The relative impact of the marine economy in the H &amp; I is not recognised in a Scottish or UK context</li> <li>5. Fail to mobilise the level of regional support for the potential to maximise the marine economy</li> </ol>
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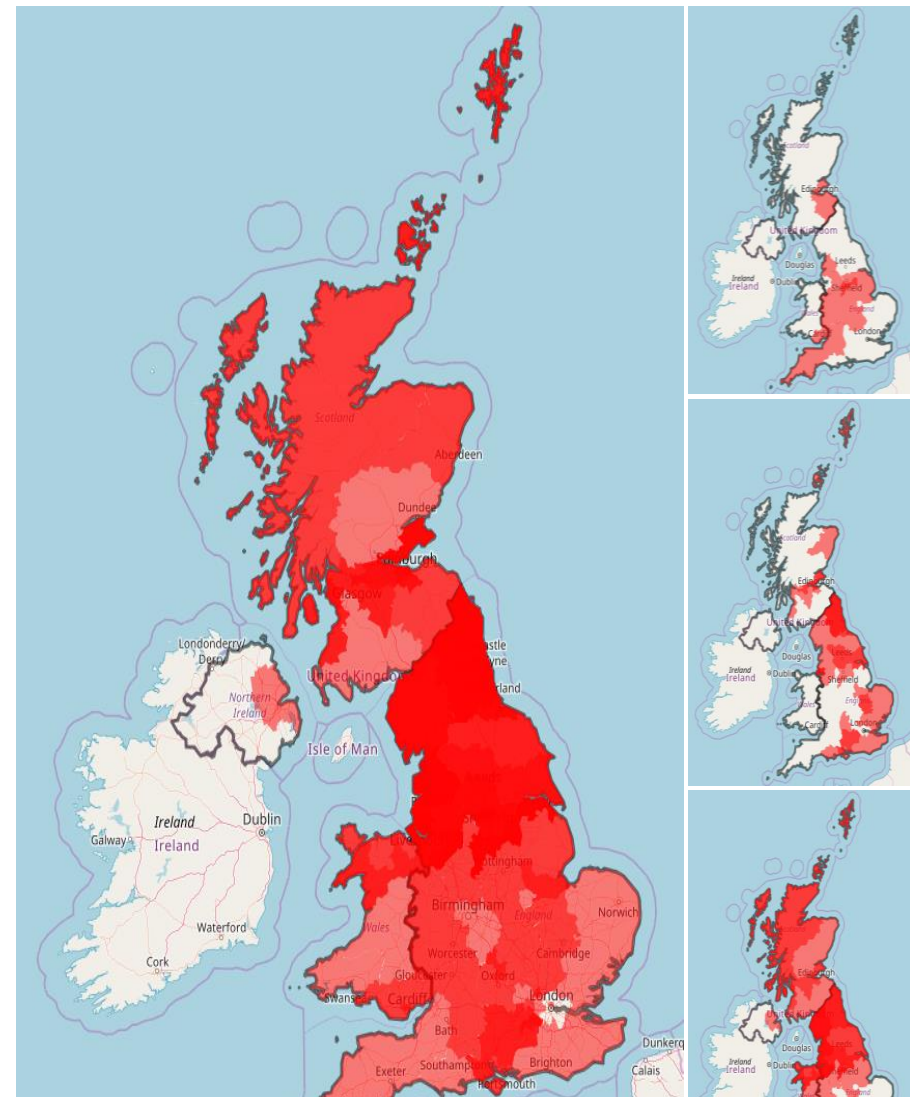
Industrial Strategy White Paper

**Science & Innovation Audit Themes**

- 1 **Edinburgh and South East Scotland City Region**  
Digital technology and Data-Driven Innovation
- 2 **Sheffield City Region and Lancashire**  
High value manufacturing
- 3 **Greater Manchester and East Cheshire**  
Health Innovation and Advanced Materials
- 4 **Midlands Engine**  
Advanced Manufacturing; Digital Technologies and Data; and Systems Integration
- 5 **South West England and South East Wales**  
Advanced Engineering and Digital Innovation
- 6 **Enabling Technologies in Scotland's Central Belt**  
High value manufacturing
- 7 **Bioeconomy of the North of England**  
Agri-tech and industrial biotechnology
- 8 **East of England**  
Life sciences and agri-tech
- 9 **Innovation South**  
Digital enabling technologies
- 10 **Leeds City Region**  
Medical technology
- 11 **Liverpool City Region+**  
Infection; Materials Chemistry; and High Performance Computing
- 12 **Offshore Renewable Energy**  
Offshore energy and sustainable ocean technologies
- 13 **Oxfordshire Transformative Technologies**  
Quantum computers; autonomous vehicles; digital health; and space and satellites
- 14 **Cyber Resilience Alliance**  
Cybersecurity
- 15 **Maximising the Marine Economy of the Highlands & Islands**  
Aquaculture, wave and tidal energy and marine biotechnology
- 16 **North West Nuclear Arc Consortium**  
New nuclear technology
- 17 **North West Coastal Arc Eco-Innovation Partnership**  
Low carbon energy and eco-innovation
- 18 **Northern Powerhouse Chemicals and Processing Science**  
Chemicals
- 19 **Northern Powerhouse in Health Research**  
Medical
- 20 **The South Wales Crucible**  
Steel innovation; smart manufacturing; health informatics; and agri-tech
- 21 **Upstream Space**  
Space infrastructure and technology
- 22 **Precision Medicine Innovation in Scotland**  
Precision medicine
- 23 **Applied Digital Technologies**  
Digital capability
- 24 **Sustainable Airports**
- 25 **The Knowledge Quarter**  
Biomedical heritage; digital publishing; and data science



Science and innovation Audits help local organisations map their research and innovation strengths, and identify areas of potential global competitive advantage.



## ANNEX F

## ENERGY

<b>Project Work strand:</b>	Implementing the SG Energy Strategy in the H&Is – maximising economic and social benefits
<b>Project lead:</b>	Highlands and Islands Enterprise (Audrey MacIver)
<b>Project team members:</b>	All CoHI members
<b>Project aim/purpose:</b>	<p><b>Overview</b> Energy represents an enormous economic, industrial and social opportunity for the Highlands and Islands, building upon a legacy of hydro power, oil and gas exploration, and significant advances in renewable energy deployment.</p> <p>The Scottish Government Energy Strategy (published December 2017) presents a transition towards a low carbon energy future, and very ambitious targets for Scotland’s energy future, including the equivalent of 50% of all energy consumption (electricity, heat and transport) to be supplied from renewable sources, and an increase by 30% in the productivity of energy use across the Scottish economy.</p> <p>The Highlands and Islands of Scotland will have a major role to play in the delivery of the strategy, and it plays very well into the region’s strengths.</p> <p><b>Nature of Opportunity/Scale of Challenge</b> The paper to CoHI in October 2017 summarised the nature of the opportunity and scale of the challenges. It is recognised that opportunities for significant job creation and retention exist in the field of maximising oil and gas recovery, and as we reinforce the region’s lead in decommissioning. Increasing renewable energy deployment to meet national targets will require a mix of technologies (established and emerging) drawing on the expertise and capabilities of people and companies throughout the Highlands and Islands. Out of necessity, we have as a region, and in particular our island communities, proved to be an ideal test bed for the development of local energy systems, and this places the region in a strong position to influence and design the required technology integration and business models.</p> <p>For the region as a whole, the opportunities can be summarised as follows:-</p> <ol style="list-style-type: none"> <li>1. Build on our world leading status on marine energy</li> <li>2. Establish region as a Centre of Excellence in Subsea and Decommissioning</li> <li>3. Fully exploit Offshore Wind supply chain opportunities</li> <li>4. Develop industry expertise in Local Energy Systems</li> <li>5. Lead the ambition on community owned energy</li> <li>6. Maximise investment in energy efficiency throughout the H&amp;Is.</li> </ol>

	<p>The many advantages our region has to offer the energy sector are by virtue of its location and legacy developments (resource, skills, infrastructure) yet these too can present challenges. Fuel poverty remains prevalent and the prospect of harnessing the full potential of the natural resources is hampered by severe grid constraints and lack of island inter-connection.</p>		
<p><b>Project Plan:</b></p>	<p>Leading, enabling and facilitating progress against the opportunities outlined above involves a range of stakeholders and members of CoHI to varying degrees and a range of collaborative approaches. It was felt that CoHI could provide specific additional value in the case of island grid interconnection, a renewed emphasis on energy efficiency, and influencing the proposed government owned energy company (GOEC).</p> <p>The table below lists these key actions, progress being made, and proposed next steps.</p>		
	<p><b>Action</b></p>	<p><b>Progress</b></p>	<p><b>Next Steps</b></p>
<p>1 Secure UK Government cross-party and cross-departmental support for Scottish Islands Interconnection through consistent messaging on scale of industrial opportunity for the UK and scope for community benefit – this will include CoHI responses to future consultation on remote island wind definition and community benefit.</p>	<p>Island Wind being eligible to compete in the next CfD Auction (Spring 2019), has triggered submission of needs cases to Ofgem for Orkney and Western Isles interconnectors, and submission of Shetland Interconnection is imminent. Outcome will be determined by success of CfD bids, which should be known by October 2019.</p>	<p>HIE and Local Authorities have provided letters of support direct to Ofgem.</p> <p>Await outcome, and continue to engage with developers as they prepare for CfD auction process.</p> <p>Re-engage with SG Island Grid Deliver Forum to ensure there continues to be opportunities to share intelligence.</p>	
<p>2 Publicly pledge to achieve high energy efficiency rating for the H&amp;Is across both domestic and commercial properties.</p>	<p>Through Phase 1 and 2 pilot Local Heat and Energy Efficiency Strategies (LHEES) parts of the region (Shetland, Orkney, Inverness, Argyll &amp; Bute) are actively investigating new approaches to energy efficiency and renewable heat. The learning from these will help inform delivery of Energy Efficient Scotland.</p> <p>The Energy Efficient Scotland routemap, was published in May 2018, and is expected to offer significant supply chain opportunities.</p>	<p>Implementation of Energy Efficient Scotland will require joint promotion, and supply chain opportunities/skills requirements will become more evident through work of Supply Chain, Standards and Skills Sub Group.</p> <p>Each Local Authority has in place low carbon plans and policies, which could be shared and discussed to share best practice, challenges etc.</p> <p>Recognition that energy efficiency and decarbonising heat and transport, has cross over with Housing and Transport workstreams. Consider greater alignment.</p>	
<p>3 Seek to influence the form and function of the proposed Public Energy Company to help address fuel poverty and secure community benefit.</p>	<p>SG is in the process of commissioning the outline business case for the public energy company. COSLA has been invited to nominate representatives for the steering group and stakeholder events will be held later this year to feed into the outline business case. All local authorities will be</p>	<p>Ensure SG alert to local authority interests in developing Energy Supply Companies.</p> <p>Seek update for next CoHI Senior Officers Group.</p>	



		invited to send a representative to a local authority focused event.  A public consultation on proposed remit and structure of the public energy company will begin in 2019, with a commitment to the company commencing 2021.	
	NEW ACTION (AUG 2018) 4 Engage with stakeholders, partners and SGN in developing the needs case for investment in future gas networks	Gas Demand Study completed for Lochaber.	
<b>Project Timetable:</b>	<ul style="list-style-type: none"> <li>• Island interconnection – determination of needs case Oct 2019</li> <li>• Energy efficiency/low carbon heat – ongoing</li> <li>• Government owned energy company – ongoing</li> <li>•</li> </ul>		
<b>Risk register:</b>	To be confirmed		

**ANNEX G****HOUSING**

<b>Project work strand:</b>	<b>Housing</b>
<b>Project lead:</b>	Neil Grant, Director, Shetland Islands Council
<b>Project team members:</b>	Establish a Highlands and Islands “Heads of Housing” Project Team using Strategic Housing Leads.
<b>Project aim/purpose:</b>	To ensure that beyond 2020 there is a continued recognition of the role of housing in rural and island areas in relation to sustaining those communities and their economies. Recognition of different solutions appropriate to the scale and circumstances of the Highlands and Islands geographic area. Seek support to ensure continued funding streams are available.
<b>Project plan:</b>	<ul style="list-style-type: none"> <li>• To continue to build on the momentum created in the current housing environment through close working with colleagues across the Highlands and Islands area.</li> <li>• Maximising opportunities for joint working across sectors to achieve suitable housing outcomes – e.g. Planning Bill, and Community Empowerment Act.</li> <li>• Maximise the opportunities presented by the Government’s new build housing support measures, such as Rural and Islands Housing fund, and self build funding.</li> <li>• Look for innovative ways to improve housing supply and sustain thriving communities.</li> <li>• City and Region Deals, include innovative housing solutions</li> <li>• Ensuring that collective evidence is used to support any ‘asks’ of Government.</li> </ul>
<b>Project timetable:</b>	To be confirmed
<b>Risk register:</b>	To be confirmed