

# **The Caithness Conversation Community Profile**

May 2013

Funded by RWE npower renewables



Glo	ossaryiv
Int	roductionx
SEC	CTION 1 – OBSERVATIONS BY FOUNDATION SCOTLAND1
SEC	CTION 2 – THE PROFILE6
1	Geography and Administration6
2	Strategic Context8
3	Voluntary and Community Activity16
4	Population21
5	Economy26
6	Employment & Income Levels32
7	Education and Training39
8	Transport and Access to Services43
9	Housing and Health46
10	Natural and Cultural Heritage49
11	Caithness Profile summary 52
SEC	CTION 3 – THE CAITHNESS CONVERSATION54
1	Who participated in the Caithness Conversation? 54
2	What was the methodology?58
3	What's working well and what needs to improve? 60
4	What do you want to see in Caithness 10 years from now? 65
5	So what should future community benefit funds support? 68
6 mc	How relevant are these themes a) to your community and b) ore widely across Caithness?
7	Who should be eligible to receive community benefit funding?75
8	Is it important where community benefit funds are spent? 78
9	How should the money be made available?81

10 How should community benefit funds be administered in	
Caithness?	. 83
11 Conclusion & next steps	. 86
Appendix A: An Overview of Funding Sources	. 88
Appendix B: Onshore wind farms in Caithness and the associated community benefit arrangements as of April 2013	
Appendix C: Examples of visitor attractions run by community organisations	101
Appendix D: Caithness Conversation Contributors	102
Appendix E: Caithness Conversation Survey	104
Appendix F: References	109

# **Glossary**

ABI Annual Business Inquiry

BRES Business Register and Employment Survey

CDAP Community Development Action Plan

CHP Community Health Partnership
CNS Caithness & North Sutherland

CNSF Caithness & North Sutherland Fund

CNSRP Caithness and North Sutherland Regeneration Partnership

CVG Caithness Voluntary Group
DSG Dounreay Stakeholder Group

DFT Dunnet Forestry Trust

ETEC Engineering, Technology and Energy Centre

GDP Gross Domestic Product GVA Gross Value Added

HIE Highlands and Islands Enterprise

HNC Higher National Certificate
HND Higher National Diploma

LLCCDC Latheron, Lybster and Clyth Community Development Company LEADER Liaison Entre Actions de Développement l'Économie Rurale

NDA Nuclear Decommissioning Authority

NHC North Highland College NHS National Health Service

NUTS Nomenclature of Territorial Statistics

OCA Ormlie Community Association
ONC Ordinary National Certificate
OND Ordinary National Diploma
ONS Office of National Statistics
PEA Pentland Energy Advice
RSA Royal Society of Arts
RWE NRL RWE npower renewables

SCQF Scottish Credit & Qualifications Framework
SIMD Scottish Index of Multiple Deprivation

SME Small & medium enterprises
SNH Scottish Natural Heritage

SQCF Scottish Credit and Qualifications Framework SRDP Scotland Rural Development Programme

SSSI Site of Special Scientific Interest SVQ Scottish Vocational Qualification

UHI University of the Highlands and Islands UKAEA United Kingdom Atomic Energy Agency

# **Acknowledgements**

On behalf of RWE npower renewables, Foundation Scotland wishes to thank all Caithness Conversation participants for their time and contribution as well as the assistance provided by Caithness Community Councils (Dunnet & Cannisbay, Halkirk & District, Latherton, Lybster & Clyth, Tannach & District, Berriedale & Dunbeath, Thurso and Watten), Caithness Voluntary Group, Caithness Renewables Ltd, Caithness Chamber of Commerce, The Highland Council and Caithness and North Sutherland Regeneration Partnership.

# **Executive Summary**

With sizeable levels of community investment from commercial wind farms and other renewable developments anticipated for Caithness, RWE npower renewables has supported a research project called the Caithness Conversation to hear directly from communities, businesses and other key local stakeholders as to how they think future community benefit funds associated with such developments can benefit Caithness.

The research aimed to identify what the Caithness community considers is currently working well and what requires some improvement, as well as the types of initiatives any future community benefit could support and how those investments should be managed. The outcomes of the Caithness Conversation in its entirety are captured in this report, set against the backdrop of the current socio-economic situation.

There is a significant number of wind farm projects either consented or currently being developed in Caithness. RWE NRL wanted to explore the wider, strategic value of community benefit in Caithness alongside its more typical local application.

Foundation Scotland, an independent grant making charity with diverse Scotland-wide experience of community benefit, conducted the research during February – April 2013. Foundation Scotland worked with a number of organisations including Caithness Voluntary Group, the Association of Caithness Community Councils, Caithness Chamber of Commerce and Caithness Renewables to set up and deliver different elements of the Caithness Conversation.

Opportunities to participate in the Caithness Conversation were promoted on Caithness FM, in the local media, local posters, through <a href="www.caithness.org">www.caithness.org</a> and local email distribution lists, via two local community council meetings and at a meeting with the Association of Caithness Community Councils. In some cases, people contributed as representatives of different agencies, interest groups and/or geographical communities while others contributed as individuals.

Over 320 individuals contributed through an online survey and hard copy questionnaire, nine discussion groups involving representatives of different stakeholder groups, an information session to community councillors, two public Caithness Café events and 12 individual conversations with representatives of particular communities of place or interest.

A series of critical questions were asked throughout the Caithness Conversation relating to the implementation of community funds in Caithness, the results of which are summarized below:

# What's working well and what needs to improve?

Participants conveyed a very positive sense towards living and working in Caithness. But they have concern and anxiety about the social and economic impact of the gradual closure of Britain's former fast reactor research and development centre, Dounreay. There are mixed levels of optimism and caution about the potential to really seize the diversification opportunities that are being talked of.

#### What do you want to see in Caithness 10 years from now?

Participants wanted to see Caithness become a more cohesive, connected county, celebrating a diverse social and local economy that could provide stable and sustainable employment to a growing population and give young people the opportunity to live and thrive in Caithness.

# What should community benefit funding support?

Investing in sustainable employment opportunities and in the social infrastructure of communities was seen as interdependent and equally important. Enhancing tourism opportunities and supporting the capacity of local groups and community-led enterprise emerged as a cross cutting theme.

# How relevant are these investment 'themes' to local communities and/or more widely across Caithness?

The five thematic areas suggested in the survey were regarded as relevant both to local, individual communities and to the wider Caithness area by the majority of participants. The proposed themes were Developing services, facilities and activities; Helping create and sustain more employment opportunities; Increasing our skills and knowledge; Preserving and enhancing the physical and natural environment and Getting around getting connected.

#### Who should be eligible to receive community benefit funding?

There was a majority view amongst participants that community organisations should be the primary beneficiaries of the community benefit funds but not exclusively so. There was acknowledgement, however, that businesses had a significant role to play in developing Caithness and loans could be offered to private businesses which would help create an evergreen fund. Any Caithness wide fund/s should have an infrastructure that is flexible, not overly prescriptive and considers 100% funding.

#### Is it important where community benefit funds are spent?

The majority of participants in the Caithness Conversation felt it shouldn't matter where funds are spent – as long as funds are used to support eligible activity in Caithness. Across most of the discussions there was acknowledgement that the idea in principle of widening the area of benefit/investment and creating Caithness wide fund/s was sensible, reasonable and 'fair'. However this acknowledgement came with a number of caveats around such a fund/s being community-led and managed with communities closest to the wind farm informing the fund purpose, eligibility, application and assessment processes and actual awards.

# How should community benefit be administered in Caithness?

The various discussion groups emphasised the need for transparent processes to be in place for any fund management arrangement. In the survey, respondents were invited to rank in order of preference from six options. On average the results show a preference for 'a Caithness organisation with dedicated support'. Next favoured was 'locally by communities themselves' and thirdly 'by a Caithness organisation'.

### What impact are other community funds having in Caithness?

There was relatively high awareness about other sources of funding for community activity and with highest impact considered to be on improving community facilities and assisting with specific groups like elderly or younger people.

#### **Recommendations from Foundation Scotland**

As a result of the findings from the Caithness Conversation, Foundation Scotland recommends the following guiding principles underpin future community benefit fund arrangements in Caithness:

**Principle 1:** Some of the common issues affecting Caithness communities may be better addressed through a joined up approach to community benefit.

**Principle 2:** There doesn't need to be only one way of 'doing' community benefit or an 'exclusive' approach: a strategic, Caithness wide fund, possibly linked to particular themes would not necessarily diminish the need or ambition for 'local' funds to continue.

**Principle 3**: An inclusive community-led approach to shaping and distributing community benefit is likely to increase its impact in Caithness.

**Principle 4:** Improving co-ordination and support within and between communities could add value to the shape and structure of future community benefit funds.

**Principle 5**: Community benefit arrangements for local and/or a Caithness wide fund may achieve greater longevity, legacy and impact if they draw in a range of expertise and knowledge from across different communities and sectors.

**Principle 6:** Community benefit is an opportunity for the commitment and energy of the community sector to be harnessed & developed as part of a more vibrant, sustainable local economy.

In addition, Foundation Scotland recommends that RWE NRL continues to support Caithness communities and suggests the following **next steps:** 

Support the formation of a working group comprising representatives from different communities and sectors to continue the momentum of the Caithness Conversation. An initial activity may include considering how a more joined-up approach to delivering community benefit from on shore wind farms could be delivered and how such an arrangement could be structured.

- > Encourage this working group to find optimum ways to share best practice and learning about the development and delivery of community benefit across Caithness' different communities.
- ➤ Initiate a round table discussion with other renewables project developers on community benefit in Caithness to share the information gathered in the Caithness Conversation. Such a group could explore potential ways in which developers could work more collaboratively to best support Caithness communities, without compromising commercial business ambitions.

# Introduction

Community benefit associated with onshore wind farms has the potential to make a significant contribution to the long term sustainable socio-economic development of an area. In Scotland arrangements for community benefit from onshore wind farms have historically been set up using community council boundaries, enabling local impact to be delivered. As an active renewable energy developer and operator in Caithness and aware of the high level of wind farm activity in the area, RWE NRL invited Foundation Scotland to explore the wider strategic value and relevance of community benefit in Caithness alongside its more typical local application.

As well as informing and improving RWE's own work with communities in Caithness, it is envisaged that the Caithness Conversation will help communities better benefit from future funding, build more connections with each other and support continuing partnership working across Caithness.

Community benefit is a 'goodwill' contribution voluntarily donated by a wind farm developer for the benefit of those communities that neighbour developments. In the UK, community benefit funding is predominantly associated with energy and building developments. In the renewables sector, onshore wind farm development has led the way in implementing community benefit but there is now discussion relating to offshore wind, wave and tidal power. There is no legal or planning requirement for a developer to offer a community benefit fund and a local authority cannot enforce a developer to do so.

Foundation Scotland is an independent grant making charity currently managing and advising 23 community investment funds from renewable projects representing approximately 25% of all community funds currently paid in Scotland.

To explore the value and relevance of a different approach to designing and delivering community benefit in Caithness, Foundation Scotland undertook two key tasks. The first was some desk top research about the key socio-economic factors currently affecting Caithness. The second was a consultation process called the Caithness Conversation that gathered stakeholders' views and ideas about community benefit and, through a number of group discussions and two public events, encouraged discussion on the issues between stakeholders representing different communities of interest and place.

Using this research, it is hoped that communities, other renewables projects developers and stakeholders are better able to identify and plan how and where to direct or respond to future community benefit funding.

### **Profile Outline and Methodology**

**Part 1** presents observations and guiding principles from the Foundation Scotland team who completed the desk top analysis and who undertook the Caithness Conversation

research in Caithness itself. These are shared to stimulate further reflection and discussion amongst stakeholders.

**Part 2** has been prepared through desk research, using data compiled and available through official sources. Much of the information used has been taken or is derived from information in The Highland Council's Ward Profiles for Caithness and briefing notes, Highland and Islands Enterprise's Area Profile for Caithness and Sutherland and *The Socio-Economic Impacts of Dounreay Decommissioning*, a report prepared for Highlands and Islands Enterprise and Dounreay Site Restoration Ltd by Grangeston in 2012. Where appropriate, additional information has been sourced from official sources as noted in the text.

**Part 3** records the results of the Caithness Conversation. The Caithness Conversation created structured opportunities for people to share their views, ideas and opinions about Caithness as a place to live and work as well as how community funds might contribute to building both stronger communities and a stronger local economy. These opportunities included nine group discussions, two public events, and 12 individual conversations which took place between February and April 2013. During this time an online survey and concurrent hard copy questionnaire were also available for interested parties to complete.

Opportunities to participate in the Caithness Conversation were promoted on Caithness FM, in the local media, via local posters, through <a href="www.caithness.org">www.caithness.org</a>, via local email distribution lists, at two local community council meetings and at a meeting with the Association of Caithness Community Councils. Some people contributed as representatives of different agencies, interest groups and/or geographical communities while others contributed as individuals but declared the various affiliations of membership they had with Caithness groups. A list of those who participated in the Caithness Conversation is in Annex D.

Foundation Scotland was aware of the divergent views, experiences and perspectives of community benefit funds both in Caithness and more widely across the Highland region. However, prior to this project there had not been a process specifically within Caithness to bring together these various views and experiences. The Caithness Conversation sought to do this by asking a very basic, but potentially contentious question around how these funds can best benefit Caithness. The project did not have a pre-determined outcome. Whilst the aspiration was to increase and improve understanding, connections and conversation about community benefit funds across different stakeholder groups, it was not to suggest what this might look like with future.

Time was invested at the outset to discuss the approach and planned content of the Caithness Conversation with representatives of the community, business and public sectors. The final survey and programme of group discussions and individual conversations were informed by the initial scoping phase.

# SECTION 1 – OBSERVATIONS BY FOUNDATION SCOTLAND

RWE NRL commissioned this study to ascertain the support for a more strategic and integrated approach to the design and delivery of community benefit in Caithness linked initially to potential RWE NRL wind farms in the area.

The study was timely given the increasing attention being paid to community benefit funds and the growing experience of communities in responding to these unprecedented investment opportunities. Currently in Caithness, there appears to be an emerging interest in designing and delivering community benefit packages that take account of local issues and circumstances, and to try to do things differently. For example, the Baillie Wind Farm will invest in the 'Caithness Business Fund' that is due to open shortly. Under the administration of the Caithness Chamber of Commerce this £25,000 annual fund will provide grants and loans to 'promote the economic growth of Caithness and North Sutherland by supporting existing and new businesses and developing the skill base to meet new challenges'.

Two other sites have also announced preliminary arrangements for broader community benefit packages; Whirlwind Renewables' Wathegar II site will include provision of an annual sum to support North Highland College's programme of skills development and employment opportunities in the renewable energy sector in Caithness. Meanwhile for the proposed Achlachan development, Whirlwind Renewables and Pentland Community Enterprises will collaborate to channel the community benefit package through various social enterprise activities of the Pentland Housing Association group which provides services and support to various groups and individuals including those more vulnerable.

There was positive interest in the Caithness Conversation from a diverse range of individuals and groups who recognised the value of a third party raising issues that possibly were harder to raise themselves.

The output was a mixture of quantitative information in response to some specific questions about community funds along with more qualitative information gathered through the various discussions with different individuals and groups. These are presented in Section 3. As a result Foundation Scotland has identified a number of issues and associated guiding principles that could usefully inform further discussion and direction of community benefit packages in Caithness. These are presented below.

# Observation 1: Unsurprisingly, there are common issues across Caithness' communities

The focus of the discussions was Caithness and its communities – rather than a particular 'fund'. This appeared to 'free people up' and, without compromising the needs and

aspirations of their own community, enabled them to really think about Caithness' future. The headline themes of the survey had resonance for respondents at both local and county levels. Within the written responses there were, for example, recurring references to employment creation and tourism development which were also borne out in the various discussion groups. In these forums participants expressed anxiety about stable employment but also recognised that more could be done to seize the tourism opportunities presented by the natural beauty and heritage that is Caithness. These issues reflect the evidence in Section 2, Parts 5 and 11 which highlight the economic challenges Caithness faces despite its rich, vibrant natural and cultural heritage.

# Principle 1: Some of the common issues affecting Caithness communities may be better addressed through a joined up approach to community benefit.

### Observation 2: Strategic and local funds can sit alongside each other

Within the sensitive and somewhat contentious environment of community benefit funds, it was striking that many of those living in Landward communities, and who contributed to the Caithness Conversation, recognised that exclusively targeting benefit to their communities was not necessarily going to achieve optimum benefit for Caithness as a whole.

The daily lives of residents of Caithness are not bound to, or particularly connected to, community council boundaries and which to date has been a determining feature of local community benefit funds. Whilst the community council boundaries provide an enabling administrative boundary, it became apparent through various discussions that they can limit the creativity and vision of communities, groups and organisations responding to the opportunities of community benefit funds.

Section 4, Part 1 highlights how economic deprivation continues to be an issue which affects some parts of Caithness. It is most evident in Wick, where parts of the town are within the 5% and 15% most deprived in Scotland. However 10 of the 37 Caithness data zones are within the 15% most deprived in The Highland Council area. A strategic approach is required to address this perpetual challenge. Alternative community benefit fund arrangements may, at a future point, contribute to a Caithness-wide focus on developing stable and sustainable services and employment opportunities. These were leading themes that Caithness Conversation participants wanted funding onshore wind farm developments to support (Section 2, Part 5), though an explicit link to deprivation was not suggested in the original question.

Principle 2: There doesn't need to be only one way of 'doing' community benefit or an 'exclusive' approach: a strategic, Caithness wide fund, possibly linked to particular themes would not necessarily diminish the need or ambition for 'local' funds to continue.

# Observation 3: There is an appetite and ambition for communities to be at the heart of decision making about where and how community benefit is used.

There was a prominent view that emerged during most of the discussions, and that was endorsed by survey respondents, for any local or strategic fund to be aligned primarily with the community sector and controlled by it. It was suggested both in discussions and in survey responses that an element could be made available to the business sector – but the application and management of these funds, at whatever level or scale, should be primarily determined by the community sector. Discussion as to how this may work in practice was initiated during the two Caithness Café events and during two other discussion groups; with the emphatic outcome being that frameworks and procedures would need to be transparent, robust but flexible, and responsive to opportunity, need and forward planning. Co-opting or bringing in private or public sector expertise was seen as an important option and suggested by people in both the discussion groups and the Cafés. However there was an opinion that any strategic, Caithness-wide fund should avoid being overly bureaucratic or remote from the community for which it exists.

It was proposed in two of the discussion groups that contributing to a Caithness-wide fund should be entirely voluntary. This suggestion was well received at the two Café events. Unlike The Highland Council's policy¹ there should not be an expectation that a certain amount should be provided or that contributing to a wider Caithness Fund should only happen with funds of a certain size. There was a strong view from members of community organisations that it should not be expected that a local community contributes to a wider Caithness Fund if that community has a clear plan and/or sufficient demand on its fund then it is reasonable that the benefit area is more contained.

Communities felt they should be the 'guardians' of the funds possibly via a strategic advisory group with co-opted participation from the public and private sectors and with some external support and guidance. This would not mean investment would only be directed exclusively to community activity or enterprise; but rather that decision making on any investment strategy and the allocation of funds would be primarily community-led. It was also recognised that it was important for this type of community benefit to leave a legacy, i.e. that the use of the funds should outlast the life of the renewables projects and should be used as a building block for the future.

# Principle 3: An inclusive community-led approach to shaping and distributing community benefit is likely to increase its impact in Caithness.

# Observation 4: There is a range of activity happening at local levels around community benefit & a pool of valuable experience developing

Discussions during the Caithness Conversations indicated that there is a wealth of local activity going on associated with exploring, negotiating, setting up or delivering community benefit. Such activity is reliant on the goodwill, determination and compassion of individuals and groups who are often operating 'under the radar' and with little formal support or acknowledgement. There was recognition during some discussions that at times

<sup>&</sup>lt;sup>1</sup> The Highland Council's policy is that benefit should be spread across all of Highland and has agreed a three-tiered system of benefit to ensure this. (Dec 2011)

additional capacity may be required to ensure any longer term income opportunities from community funds are optimized and that the knowledge and learning of more experienced volunteers is widely shared.

Some of the discussions did suggest it would be helpful to develop a salaried position to assist community councils as they negotiate with developers about levels and terms of potential community funds. This would enable communities to better manage what is coming forward. This resource would provide a forum through which experience and practice can be shared and developed and a buffer for some of the taxing conversations with developers which tend to be part of the process of establishing any new fund.

# Principle 4: Improving coordination and support within and between communities could add value to the shape and structure of future community benefit funds.

# Observation 5: The opportunity of community benefit appears to be breeding some distrust across communities and sectors.

Some level of disconnect, caution and distrust even, between the public and community sectors and across different communities came through in the discussion groups and to a lesser extent in the Café discussions. The relatively small Caithness population possibly makes this dynamic more intense. There was also a sense that the benefits of large public sector driven projects do not trickle down to the community level – particularly outside of Wick and Thurso – and remain somewhat peripheral to the ebb and flow of daily life. Certainly the urban service centres drive much of the local economy; the sense amongst some of the rural communities of being side lined by public sector services and ambitions appears to run deep. Whilst there do appear to be an array of networks operating across Caithness that have historically brought people together across sectors these at times appeared to be 'wearing thin' and there is perhaps a need to improve levels of co-working on practical projects.

# Principle 5: Community benefit arrangements for local and/or a Caithness wide fund may achieve greater longevity, legacy and impact if they draw in a range of expertise and knowledge from across different communities and sectors.

# Observation 6: In the face of increasing community ownership, enterprise and development opportunities, the sector itself is also eroding...

When discussing what is currently working well in Caithness, some participants in the discussion groups raised concerns that in the midst of what appears to be a vibrant community and voluntary sector, there is a progressive eroding of investment into it. Council resourcing is reducing and the third sector is struggling for support and presence. Ironically this is happening at a time when communities require optimum support for ensuring opportunities from asset transfers, community buy-outs and renewables – either in the form of wholly owned, joint ventures or as community fund recipients – are maximised. Alongside this, there is recognition that other community funds do have impact in communities but the impact is relatively localized and the funds are predominantly controlled by national or regional bodies and operate quite independently of each other.

Community benefit provides an opportunity to re-fashion infrastructure support for community initiatives – whether locally or county wide – as well as contributing to a host of thematic or geographically specific investments. Caithness, by virtue of it's distinctive isolated geographical position and significant pipeline of potential investment from community benefit funding, may be a unique setting to develop a different approach to community benefit that is both community-led and more joined up across the county.

Principle 6: Community benefit is an opportunity for the commitment and energy of the community sector to be harnessed & developed as part of a more vibrant local economy.

# **SECTION 2 – THE PROFILE**

# 1 Geography and Administration

Caithness, situated within the Scottish Highlands, is the most northerly county in mainland Great Britain. Stretching from Dunnet Head in the north to the Ord of Caithness in the south, Caithness extends about 30 miles (50 km) north-south and about 30 miles (50 km) east-west, and takes in an area (excluding inland water) of 697 square miles (1,805 km²). It is bounded to the south and west by the former county of Sutherland and to the north and east by sea.



Figure 1: Caithness showing main transport routes

Unlike much of the Highlands, Caithness is largely flat in topography and agricultural in land use. It has a rugged coastline and the large tracts of open peat land interspersed with lochans known as the Flow Country. Spread across 4,000 km² (1,500 miles²) of Caithness and Sutherland this is widely considered to be the largest area of blanket bog in the world and is seeking recognition as a World Heritage site.

At UK Parliamentary level, Caithness is in the Caithness, Sutherland and Easter Ross constituency. For the Scottish Parliament it is part of the larger constituency of Caithness, Sutherland and Ross, with additional list MSPs from the Highlands and Islands Region.

Although a long standing and historic administrative area, Caithness now sits wholly within The Highland Council local authority area. It is divided into three multi-member wards: Landward Caithness, Thurso and Wick. The three wards are managed locally as one unit within The Highland Council's Caithness, Sutherland and Easter Ross area. The Council has recently established a Caithness and Sutherland Area Committee as part of its commitment to local decision making.

Caithness is served by 12 community councils, which are numbered and described below in The Highland Council's *Scheme for the Establishment of Community Councils in Caithness*. Current community council names and contact details are given on The Highland Council website. The chairpersons and secretaries of community councils come together in the Association of Caithness Community Councils which meets quarterly throughout the year.

- 1. Royal Burgh of Wick
- 2. Sinclair's Bay (including Keiss, Reiss and part of Wick)
- 3. Dunnet and Canisbay
- 4. Bower (excluding Gelshfield area)
- 5. Watten (including part of Bower i.e. Gelshfield area)
- 6. Wick south-east, Wick south-west and part of Clyth (i.e. Bruan) (Tannach & District)
- 7. Latheron, Lybster and remainder of Clyth (including Occumster, Roster and Camster)
- 8. Berriedale and Dunbeath
- 9. Thurso
- 10. South, Halkirk north-east, Halkirk north-west (excluding Lieurary, Forss and Westfield area)
- 11. Castletown, Olrig, Thurso east (excluding area on west side of Thurso River)
- 12. Caithness West (that part on the west side of Thurso River only), Thurso West, Reay and part of Halkirk north-west (that part comprising Lieurary, Forss and Westfield area).

# 2 Strategic Context

### 2.1 Development Plans

A development plan is a set of documents that set out a local authority's policies and proposals for the development and use of land in their area. The development plan guides and informs day-to-day decisions as to whether or not planning permission should be granted, under the Town & Country Planning (Scotland) Act, 1997. In order to ensure that these decisions are rational and consistent, they must be considered against the development plan adopted by the authority, after public consultation and having proper regard for other material factors.

The Highland-wide Local Development Plan was adopted on 5 April 2012 and supersedes the General Policies and other related material of the Caithness Local Plan. However, various parts<sup>2</sup> of the Caithness Local Plan continue to be enforced alongside the Highland-wide Local Development Plan until such time as a full Area Local Development Plan is adopted.

The Caithness and Sutherland Local Development Plan will cover the area of Highland stretching roughly from Dornoch to Durness and Wick to Lochinver. Once adopted, this will replace the existing Caithness Local Plan and Sutherland Local Plan.

To inform the new plan The Highland Council made a Call for Sites in the late summer/ autumn of 2012 for development land in Caithness and North Sutherland to support growth of the marine renewables sector. The Council is also making a general Call for Sites whereby local landowners and communities inform the Council of land anywhere else in Caithness and Sutherland they wish to see developed and/or protected. Meetings were also held with representatives of community councils to explain the process and encourage people to get involved in the plan making process.

In February 2013, The Highland Council engaged the CADISPA Trust, in partnership with John Thompson & Partners Architects of Edinburgh and Gillespies of Glasgow, landscape architects, to carry out two major design-led public workshop events. These 'charrettes' gathered local people's views on the future of Thurso and Wick towns. The purpose of these events was to get as many people as possible from the community to help formulate the planning strategy for the two largest settlements in the local development plan area. The main points arising from the sessions were<sup>3</sup>:

#### In Wick:

 Participants were positive about development in Wick and were keen to focus on regenerating the town's heart and investing in the harbour to revitalise the local economy and strengthen the local community;

<sup>&</sup>lt;sup>2</sup> A full schedule of the retained elements of the Caithness Local Plan is contained within Appendix 7 of the Highland-wide Local Development Plan.

<sup>&</sup>lt;sup>3</sup> New visions for Wick & Thurso summary outcomes available at http://www.highland.gov.uk/yourenvironment/planning/developmentplans/localplans/wickcharrette.htm

- The conservation and promotion of the history and heritage of the town and surrounding area could help create a positive image for the town and attract more visitors;
- The possibility of creating an urban regeneration trust to hold assets and drive the regeneration process should be considered;
- People welcomed the idea of utilising the harbour and airport for the potential of offshore renewable energy related opportunities;
- Establishing links and relationships between business, including the renewables sector, and local schools is important to ensure that the local workforce is equipped with the appropriate skills and training.
- Improvements to transport service frequency and timing, particularly at the beginning and end of the day, and lower prices would help attract investment and bring more visitors.
- Wick should work to articulate, coordinate and promote its many natural and cultural assets as part of an enhanced offer to visitors across Caithness.
- Participants were keen to continue their involvement in the development, regeneration and improvement of Wick.

#### In Thurso:

- Providing land for the western expansion of the town will facilitate the growth of Scrabster Harbour and future investment in the town and send out the message that Thurso is open for business.
- Participants want to see strong links between the education and employment sector to attract people to the area and ensure the town's young people are ready to take up new opportunities.
- It was felt that Thurso's rich legacy, and Caithness generally, is under-sold to tourists and that the town should promote these historic and cultural assets through community led events, attractions and tours.
- To improve the vitality of the town centre, it was felt important to work to improve frequency of train and bus provision and improve the arrival experience and parking signage for visitors.
- Students from Thurso High School highlighted the facilities young people would need in the future to encourage them to stay in the town, including employment, good shops and better housing.
- A cultural centre where artists could meet was seen as important to support a cultural renaissance of the town.
- Enhancing the river corridor would create more natural landscapes and habitats whilst providing amenity for local people and visitors with focused areas for leisure, recreation and culture.
- Participants expressed concern over the design quality of newer buildings and the neglect, sometimes to the point of demolition, of older buildings
- Lack of a community hub or meeting space has affected the ability of groups to coexist and work together for the greater good of the town.
- Participants expressed an enthusiasm to continue their involvement in the town's regeneration and the emerging Local Plan.

In due course, the local authority will publish a Main Issues Report which will set out what they consider to be the best options for development and offer reasonable alternatives based on the information received during the charrettes, the general call for sites and from the existing local plans for the area.<sup>4</sup>

Of relevance too is that fact that the Caithness Partnership had previously worked with some community councils to produce Community Development Action Plans (CDAP). The Partnership provided the link between community-identified priorities and public sector plans. By January 2013 drafts plans had been produced for Berriedale & Dunbeath and Latheron, Lybster & Clyth Community Councils and finalised community CDAPs published with Thurso and Sinclair Bay Community Councils. Three other community councils had expressed interest in developing a plan but had priority projects to pursue meanwhile. The Caithness Partnership's Year 3 Progress report<sup>5</sup> suggests that though there was value in this work it did not always best suit local circumstances.

### 2.2 The Highland Council's Single Outcome Agreement

The purpose of The Highland Council's Single Outcome Agreement is to identify areas for improvement and to deliver better outcomes for the people of the Highlands and Scotland, through specific commitments made by the Council, its community planning partners and the Scotlish Government. The partners include:

- The Highland Council
- Northern Constabulary
- NHS Highland
- Highlands and Islands Enterprise
- Skills Development Scotland
- University of the Highlands and Islands
- Highlands and Islands Fire & Rescue Service
- Scottish Natural Heritage
- Scottish Government

The document sets out the joint commitments made by these organisations to an agreed set of 15 local outcomes, based on the needs and issues identified in the Highland Area Profile. These are cast against the Scottish Government's 15 national outcomes. While the local outcomes are Highland-wide, initiatives within Caithness that contribute to these are mentioned in the Single Outcome Agreement Performance Report for 2011/12 including for example a number of activities in collaboration with the Caithness and North Sutherland Regeneration Partnership (CNSRP) Programme focused on education and inward investment in marine renewables.

-

<sup>&</sup>lt;sup>4</sup> This report was issued in May 2013

<sup>&</sup>lt;sup>5</sup> Caithness Partnership Year 3 Progress Report; MacDougall K, Aug 2012

# 2.3 Caithness and North Sutherland Regeneration Partnership (CNSRP)

Caithness and North Sutherland Regeneration Partnership (CNSRP) is a coalition of the main public sector agencies with a remit to address the socio-economic effects of decommissioning at the Dounreay site. The organisation was established in recognition that the area is undergoing a major economic and social transition process, from a nucleardependent economy to a diverse economy supporting a wider range of sustainable employment opportunities. The Partnership's Executive Board brings together the Chief Executives of Highlands and Islands Enterprise and The Highland Council, together with senior officials from the Nuclear Decommissioning Authority (NDA) and Scottish Government. The Board oversees strategic direction of the Partnership's activities. The Partnership's Advisory Board brings together a range of local and regional stakeholders such as MP, MSP, Highland Councillors, community councillors, Caithness Chamber of Commerce, trade unions, Dounreay Site Restoration Ltd, North Highland College, Caithness Partnership, The Crown Estate, Dounreay Stakeholder Group, Scottish Natural Heritage, Scrabster Harbour Trust and Wick Harbour Authority. Its Chairman is the Convener of The Highland Council. The Board provides advice and comment on the activities of the Partnership.

### CNSRP's aspiration is that:

"By 2020 Caithness and North Sutherland will provide a healthy, economically stable environment for its growing population. Its network of thriving communities will reflect the area's rich heritage and varied landscapes. The area's population will be well-educated, highly-skilled and outward-looking, reinforcing its attractiveness as a place in which to live, work invest and visit."

To achieve these aims the partners have prioritised their resources around the Caithness and North Sutherland Action Plan, with the key activities focused upon the energy and business services sectors, from where they expect the most significant employment opportunities to come. This includes:

- Work with existing area businesses in the energy and business services sectors to help them diversify and grow their businesses.
- Deliver a targeted programme of inward investment activity focused on energyrelated opportunities such as marine renewable energy, oil & gas
- Deliver a targeted programme of inward investment activity focused on business services-related opportunities such as data centres, contact centres and higher-skill back office functions.
- Support the delivery of key enabling infrastructure such as ports and harbours, road, rail and air transport, skills transition and digital connectivity.

Significant infrastructure projects which CNRSP has coordinated include the Scrabster Harbour development, tourism investment at Wick Harbour Marina and John O'Groats, work towards improving transport infrastructure and stimulating further inward investment and

strategic skills development initiatives. An extensive evaluation of the activities of the CNSRP is given in the Grangeston (2012) report.

# 2.4 Caithness Partnership

Caithness Partnership, established in 2000 with a focus on economic development, supported and coordinated a range of community development initiatives across various partners. Until autumn 2012, Caithness Partnership employed a Development Officer who administered the local aspects of the Highland LEADER programme in Caithness and also sat on the strategic Highland LEADER Group.

Caithness Partnership produced and oversaw the delivery of Caithness Community Development Programme. Key themes and areas for the development programme covering 2009-2012 were:

- Economy strengthening links with HIE, Caithness and North Sutherland Regeneration Partnership (CNSRP) and Caithness Chamber of Commerce, Dounreay Stakeholder Group (DSG)
- Learning encouraging lifelong learning links with Pulteneytown People's Project and North Highland College
- Health Community Health Improvement Forum
- Community Councils developing local development action plans
- Transport Transport Forum and User groups.
- Heritage Caithness Environmental Fund and Environment Forum
- Safety key partner in the Community Safety Action Team

Working with partners, the organisation has delivered a range of projects such as Caithness Youth Conference 2009, Caithness Duo-Town Centre Strategy, and John O'Groats Community Enhancement Project (Pentland Hall refurbishment). A full list of projects is available in Progress Reports on www.caithness-partnership.org.uk

Building upon this success of the, a further programme for 2012-2014 was agreed by members focusing on:

- Community-identified priorities from local development action plans
- Transport issues at Berriedale Braes on the A9, Wick Airport and Rail Freight
- Working with any new LEADER programme, and
- Secure remaining funding required for the partnership programme.

Delivery of this new plan is now on hold as the Caithness Partnership seeks funding to continue its work. Although currently inactive, with no assets or ongoing activity, the body has not been dissolved.

# 2.5 Highlands and Islands Enterprise

Highlands and Islands Enterprise's (HIE) purpose is to deliver the Scottish Government's Economic Strategy, which aims to create a more successful country with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. The organisation is also guided in this by the Scottish Economic Recovery Plan and the Scottish Government's skills strategy, Skills for Scotland. HIE operates across 13 offices throughout the Highlands and Islands including 10 area offices. The area office for Caithness & Sutherland is located in Thurso.

A notable difference between the remit of Highlands and Islands Enterprise and that of its counterpart Scottish Enterprise is that HIE formally recognises that community development is often a pre-requisite for economic development. To this end, HIE has a Strengthening Communities Unit, which exists to support the development of strong and cohesive local communities, including successful community enterprises.

The HIE Operating Plan for 2012-2015 outlines the investment priorities that will enable it to meet its aspirations for the Highlands and Islands region, in line with the national economic strategy. The plan outlines the activities HIE will pursue to deliver on four priorities:

- Support businesses and social enterprises to shape and realise their growth aspirations
- Strengthen communities and fragile areas
- Develop key sectors, particularly distinctive regional opportunities
- Create the conditions for a competitive and low carbon region

The Operating Plan covers a three-year period and is refreshed annually.

The HIE skills strategy highlights the importance to economic growth of equipping people with skills, expertise and knowledge, and ensuring their full and productive use. While Skills Development Scotland is the leading body in this field, HIE continues to have a strong interest in aspects of skills in the region. In particular, they support workforce development, help create learning infrastructure and helped the UHI Millennium Institute become a university in 2011.

#### 2.6 Caithness Chamber of Commerce

Caithness Chamber of Commerce supports businesses through the provision of a range of services for its members. As well as advice, information and knowledge sharing this involves promoting Caithness as a great place to do business to potential customers and inward investors, and lobbying relevant bodies on key business issues that affect the entrepreneurship of members and the wider business community.

The Chamber of Commerce also coordinates the Caithness Transport Forum which has a role to progress and enhance the transport infrastructure for Caithness within the wider

context of the CNSRP's plan. This infrastructure needs to be capable of supporting the emerging renewable energy industry as well as enhancing connectivity for tourists, businesses, services and residents of Caithness.

# 2.7 Highland LEADER Development Plan for Caithness 2007-2013

Since it was launched in 1991, LEADER has delivered support for rural development through implementing local development strategies. Grant support is awarded by a Local Action Group made up of relevant agencies with an interest in the area. LEADER is part of the Scotland Rural Development Programme (SRDP). LEADER support over 2007-2013 was £52 million across Scotland. The Highland LEADER programme was awarded £9.09 million and a further £7.5 million from additional funding in recognition of its previous status as a disadvantaged and remote area.

The overall aim of LEADER is to increase the capacity of local rural community and business networks to build knowledge and skills, and encourage innovation and co-operation in order to tackle local development objectives. The LEADER Programme in Caithness over 2007-2013 aimed to "enable people in Caithness to realise their ambitions and live in communities where they can fulfil their personal, social and economic potential." A LEADER Plan for Caithness, informed by a community consultation, ensured a local fit with the Highland programme. The plan was overseen by a local Implementation Group which had wide agency and community representation.

The main objectives of the Development Plan for Caithness were to:

- Help stabilise and grow population levels and the balance between age groups, particularly focusing on the retention and attraction of young adults;
- To increase the benefit that communities can derive from their natural, built and cultural heritage;
- To maximise the benefit of community assets;
- To improve the access to services in the community particularly focusing on the needs of young people and those aged 65 and over;
- To assist the communities to create update and implement community development plans;
- To increase the scope and range of training and learning opportunities available locally;
- To support the development of social enterprises and micro-businesses;
- To ensure that economic, social and environmental development is sustainable.

The Highland LEADER Fund is now fully committed and is looking to ensure that projects approved are delivered and allocated funds drawn down. Preliminary consideration is also being given to any future programme. A full list of awards made during this last round did not appear to be available and an evaluation of the LEADER's investment into Caithness would be valuable for the community and business sectors.

# Key issue

There is a strong record of partnership working in Caithness and agencies have developed strategies and ways of working together to identify and address the challenges facing the area.

# **3 Voluntary and Community Activity**

Caithness has a vibrant voluntary sector matched with high levels of volunteering, contributing significantly to the social and economic well-being of the area.

Caithness Voluntary Group (CVG), the area's voluntary and community sector interface has a membership of over 400 people and organisations. This 'third' sector is a significant employer in the area, providing for over 600 jobs (including the 300 at North Highland College<sup>6</sup>, itself a registered charity). Significant sub-sectors include village hall committees, sports clubs, social care providers and older people's projects, youth groups, heritage and arts groups and environmental groups.

CVG works to promote the common policies and concerns of voluntary organisations and to address a broad range of Caithness wide issues in partnership with statutory health, social work, education, housing, employment, environmental and regeneration agencies. It also offers support to the local voluntary sector through a funding advice service, annual training programme, and governance advice. In addition, CVG hosts the Caithness Volunteer Centre, which provides advice on volunteering and links volunteers with suitable opportunities and the Caithness Community Transport initiative.

The spread of community-led activity across Caithness is significant and variable in scope and scale, ranging from relatively small 'hobby' type activity to voluntary organisations operating as social enterprises and generating income from assets or services. An audit of current community-led provision in Caithness would be a valuable resource to inform future planning of community funds. To help illustrate the often understated contribution of the community sector to Caithness and the wider economy, Annex 3 lists some examples of community-led tourist attractions in the county.

There are a number of 'anchor' organisations operating in Caithness. These are established organisations with a proven track record within the community they serve, usually controlled by local residents and/or by representatives of local groups, seek to involve all sections of its community, and which support and encourage community development in their areas. Community anchors actively engage with local people to identify their needs and explore solutions and also deliver services that meet those needs in a multi-purpose, holistic way. In doing so, anchors work at different levels with public, private, voluntary and third sector partners. This is reflected by their ability to attract money and opportunities into the community and, in some cases, generate income within it.

Caithness has a small number of these kinds of organisations which will often be providing varying levels of support to a range of other community initiatives and organisations:

<sup>&</sup>lt;sup>6</sup> Highland *LEADER*, *Development Plan for Caithness 2007-2013* 

### **Pulteneytown People's Project**

This multi-purpose centre in Wick provides a holistic set of community services including after school care, youth services, support for young people in tenancies, training and lifelong learning courses, job advice and a community café.

### **Ormlie Community Association (OCA)**

Established in 1997, OCA address a range of economic, social and environmental problems relating to the Ormlie estate in Thurso through a range of training, youth, arts, employment and physical regeneration projects.

#### Latheron, Lybster and Clyth Community Development Company (LLCCDC)

LLCCDC was set up in 2006 for the benefit of these three communities. The company purchased Rumster Forest in 2011, and is currently working on a community wind farm project that will see the erection of three turbines with a combined capacity of up to 5MW. Negotiation is also taking place for the establishment of a low carbon Community and Business Resource Centre.

### **Dunnet Forestry Trust (DFT)**

Describes itself as the most northerly community woodland in the UK, DFT provides the environment for a diverse range of environmental, therapeutic and social activity for a range of different groups and visitors and making income through its log sales. UK and making some level of income through its log sales

Invariably many community organisations are reliant on mixed income sources from grants and local fundraising. Some, such as the anchor organisations noted above and organisations like Pentland Energy Advice, Pentland Community Enterprises, Caithness Horizons and Home Aid Caithness, may be described as social enterprises as they begin to earn income from various forms of trading. Highland Council notes the importance of these types of community run businesses which contribute 'to the economic vitality of the Highlands, particularly in remote and rural areas where smaller populations and smaller customer base make provision of some services expensive for the public sector and unprofitable for the private sector'. Beyond this though, such social enterprises are demonstrating a more-than-profit approach to business by ensuring surpluses are reinvested into social or environmental activity.

Dounreay has provided significant funding into Caithness through different arrangements and at different levels. These range from significant capital infrastructure support to smaller scale community activity via the Dounreay Communities Fund which continues to distribute grants of up to £1000 to community groups. In addition, the Caithness and North Sutherland Fund (CNSF), established by the Nuclear Decommissioning Authority and Dounreay Site Restoration Ltd, is distributing funding to community organisations for environment, social, culture and infrastructure improvements that will increase the attractiveness of Caithness & North Sutherland as a place to live work and invest. The NDA

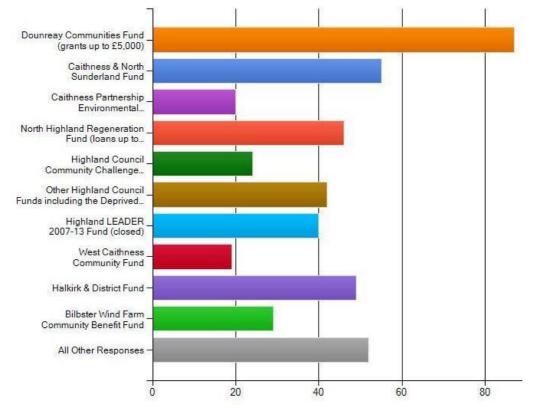
<sup>&</sup>lt;sup>7</sup> Highland Council Single Outcome Agreement (SOA), 2009-11

is to provide £4m to the fund - £1m in 2011 and £300,000 in 2014 and each year until 2023.

Caithness community organisations can access a range of other local, regional and national funding many of which are listed at Annex A. This list includes the community benefit funds from operational wind farms in Caithness that is a growing source of support for the community sector particularly. A summary of these community benefit funds is shown separately at Appendix B. Appendix B also includes other planned wind farms in Caithness. Any associated community benefit activity packages are, in most cases, yet to be determined.

The Caithness Conversation online and hard copy survey asked about people's awareness of the range of funding available and also the impact it was having. As the chart below illustrates, there was relatively high awareness amongst respondents of the range of funds available with wider knowledge about the various Dounreay funds as compared to the three 'local' community funds. Prominent amongst the 'other' funds that respondents were familiar with were those associated with the Big Lottery Fund (notably Awards for All and the Coastal Communities Fund) and other national scale funders like the Robertson Trust, Comic Relief and the People's Postcode Lottery UK.

Figure 2: Which of the following funds are you aware of or has a group you belong to benefited from in the last five years?



The Caithness Conversation survey also asked people to consider what impact this funding is having in Caithness. The area of highest impact was improving community facilities (47%) and assisting specific groups like the elderly or younger people (38%). Whilst 28% of people also noted that the funding was helping to bring a community together a small

minority did suggest that some funds were 'splitting communities and causing 'disagreements': It would be good to see a review of the impact. In reality I believe that the quality of applications for funds are poor and they are certainly not bringing communities together - doing the very opposite in fact.

A small number also took the opportunity to indicate that there is too little information provided about funds for Caithness groups and that there should be more publicity and promotion when awards are actually made by different funders. Some respondents did highlight projects that had received funding from different sources and were having a positive impact in communities. These included, for example:

**Bower Community Centre** – Fitted new PVC double glazed windows and PVC doors throughout Bower Community Centre including replacement of flat roof.

Berriedale Portland Hall Committee – Refurbishment of the Berriedale Portland Hall.

**Caithness Family History Society** – Genealogy facilities at Caithness Horizons.

**Caithness Field Club** - Organising walks and lectures for 120 members.

**Caithness Flower Arranging Club** – Ongoing monthly sessions for women of all ages.

**Caithness Big Band**, **Thurso Players** – Roof works repairs on the Grade B Listed Mill Theatre Building in Thurso.

**Caithness Rugby Football Club** – Building a new four changing room rugby pavilion with associated facilities on a site adjacent to the existing facilities and pitch at Millbank Playing fields in Thurso.

**Caithness Rural Transport** – Has been running since 1999 and provided wheelchair adapted transport to many rural people who would otherwise be socially isolated. The project has grown and still needs to develop further to help more remote areas.

**Caithness & Sutherland Search Team** – A local Search & Rescue team that specialises in the local terrain.

**Caithness Sports Facilities Ltd** — This project will resurface the existing slipway at Thurso harbour and install a portable breakwater to allow larger vessels to access the harbour. It will also enable berthing of leisure craft. This is phase one of a two phase project, working towards a Water Sports Centre.

**HND Equine Studies Charity Fund Day** – A group of six students ran a large fund day bringing together different parts of the community and also bringing up a stunt team *'the likes of which had not been seen in Caithness before!'* 

**Ormlie Community Association** – Development of the Home Zone and children's play park.

**Pentland Canoe Club** – Running a five year leadership development programme to develop a new generation of qualified coaches and guides.

**Reiss, Killimster & Sibster Hall Committee** – The Reiss Hall Refurbishment Project renovated Reiss Halls existing toilets providing new toilet facilities including disabled toilet provision.

**Riding for the Disabled Association** – Provision of outdoor riding trail.

St John's Pool - Bird Reserve.

**Thurso High School (THS) Mountain Bike Riders** – An after school mountain bike club situated at Thurso High School.

**Walking path - Path** across Munsary nature reserve.

**Wick Coastal Rowing Club (WCRC)** – Constructed three craft to enable the organisation of rowing tuition, races and event.

**Wick Paths Project**– Tourism interpretative boards & panels, sculptures, walking leaflets, lectures, new pathways for leisure activities.

**Young & New Mothers Support Groups Project** - Operating groups in Thurso & Wick and now running monthly sessions in Tongue, Bettyhill and Melvich.

#### **Key issues**

Caithness has a well developed voluntary sector which has shown the capacity to take forward major projects.

There are some strong 'anchor' organisations developing assets and building independent income streams.

There is some history of good initiatives but often at the mercy of funding cycles which do not necessarily fit with project timescales.

Some community organisations are now able to access support from new funds that have begun to be established as a result of onshore wind farms being built. The volume of such funds in Caithness is predicted to increase in the coming years

# 4 Population

Population figures given here are based on the 2011 estimates produced by the National Records of Scotland (and used by The Highland Council for Ward Profiles published on its website<sup>8</sup>). Although some headline figures are available from the 2011 Census to local authority level, smaller area statistics will not be published until later in 2013. The Census figure shows that there has been an underestimation of the Highland population in estimates, but no allowance has been made for that here. Caithness has a population of 25,160 (2011 estimate), more than 10% of the total Highland population, divided between the three Council wards - two main population centres of Thurso and Wick and the Landward ward. The population figures for these three areas are as follows:

Table 1: Population of Caithness per ward

Age	Thurso (No.)	Wick (No.)	Landward (No.)	Caithness (No.)
0-15	1,204	1,239	1,917	4,360
16-49	2,380	2,313	3,428	8,121
50-64	2,054	1,813	3,740	7,607
65-74	810	628	1,344	2,782
75-84	557	432	732	1,721
85+	213	162	194	569
Total	7,218	6,587	11,355	25,160

Source: www.highland.gov.uk based on information supplied by National Records of Scotland

Wick is the county's traditional administrative centre, and is still where The Highland Council's offices are based. Thurso's development has been heavily influenced by the decision in the early 1950s to locate the Dounreay nuclear facility a few miles to the west along the north coast. According to the UKAEA, in the 1951 census the population of Thurso stood at 3,000 while twenty years later it had tripled to 9,000 almost wholly as a direct result of Dounreay<sup>9</sup>. In the 2001 Census, the population figure was 7,737<sup>10</sup>, reflecting the downscaling of activity at the site, and this downward trend has continued. Nevertheless, Thurso and Wick are the fourth and fifth largest towns in the Highlands, after Inverness, Fort William and Nairn.

Outside Wick and Thurso there is a widely dispersed rural population spread across a large number of villages and smaller settlements. While the overall population density of Caithness is 13.9 people per km<sup>2</sup> compared to 8.7 across The Highland Council area as a whole (and 64.7 across Scotland), in fact outside Thurso and Wick this falls to 6.6, more accurately reflecting that almost half the total population lives in a rural setting.

The age distribution of the population across the Council wards and in Caithness as a whole is shown in Table 2 below. As can be seen, while the age structure for the county as a whole is very similar to that of Highland, 20.2% are aged 65 or over compared with 19.1% in Highland and 17% in Scotland. There are also some differences between the three

Ω

<sup>8</sup> www.highland.gov.uk

<sup>&</sup>lt;sup>9</sup> The History and Achievements of UKAEA Dounreay.

<sup>10</sup> www.scrol.gov.uk

wards. Wick has a higher percentage of children and people under the age of 50 and a lower percentage in the 65-74 age brackets. The rural area has the highest percentage of people aged between 50 and 74, but the lowest proportion of people aged 75 and over.

Table 2: Age distribution of the population across the Council wards

Age	Thurso	Wick	Landward	Caithness	Highland	Scotland
	(%)	(%)	(%)	(%)	(%)	(%)
0-15	16.7	18.8	16.9	17.3	17.5	17.4
16-49	33	35.1	30.2	32.3	32.9	38.3
50-64	28.5	27.5	32.9	30.2	30.4	27.3
65-74	11.2	9.5	11.8	11.1	10.5	9.1
75-84	7.7	6.6	6.4	6.8	6.3	5.8
85+	3	2.5	1.7	2.3	2.3	2.1

Source: www.highland.gov.uk based on information supplied by National Records of Scotland

The most recent population projections for The Highland Council area as a whole show that if current trends continue the population is expected to rise to 255,840 in 2035, a 15.4% increase from 2010 (See Table 3 below). Much of this growth is predicted to take place in Inverness, Badenoch and Strathspey.

Table 3: Population Projections 2010-2035, Highland

Gender	2010	2020	2035	% change 2010 to 2035
Males	108,740	116,450	125,570	15.4%
Females	112,900	120,540	130,270	15.4%
Total	221,630	237,000	255,840	15.4%

Source: www.highland.gov.uk based on information supplied by National Records of Scotland

Although data on population projections is not readily available at ward level from the National Records of Scotland, Highland Council does produce projections based on the available information<sup>11</sup>. These predict 5% population growth in Caithness to 2035, well below the Highland average. This is the second lowest growth rate foreseen in Highland, above only Sutherland where the population is seen as falling. Within these figures, the population aged 65 and over is expected to rise from 20.2% to 29.9% of the Caithness population. This reflects a trend seen as happening across the Highland area but it does underline the increasing reduction in working age population and the fragility of the Caithness economy.

Projected growth in population would continue the reversal of a downward trend in Caithness, albeit at a slower rate than elsewhere. The Grangeston report<sup>12</sup> shows that between 2001 and 2010, the population of Caithness fell by 1.7%, from 25,552 to 25,124. In comparison, over the same period, the population of the Highlands and Islands grew by 3.4% while that of Scotland as a whole grew by 3.1%. However, while in the first half of

Dounreay Site Restoration Ltd, February 2012

<sup>12</sup> Grangeston *The Socio-Economic Impacts of Dounreay Decommissioning, Final Report to Highlands & Island Enterprise and* 

 $<sup>^{11}</sup>$  Highland Council Briefing Note 52: Population Projections for Council Areas 2010 - 2035

that decade the Caithness population declined at a rate of 2.1%, in the second half this trend was reversed as it grew by 0.4%.

Despite this renewed growth in the population of Caithness as a whole, the main towns of Thurso and Wick, which together account for nearly 65% of the Caithness population, have continued to experience a reduction in population. Indeed, over the decade these two settlements account for the bulk in population reduction in the county. These declines are shown in Table 4 below.

Table 4: Population of Thurso and Wick (% change)

Year	Thurso	Wick
2001-2005	-2.6%	-4.6%
2005-2010	-0.7%	-2.2%
2001-2010	-3.3%	-6.7%

Source: www.highland.gov.uk based on information supplied by National Records of Scotland

Between 2001 and 2010 the population of Wick fell by 6.7% while Thurso declined by 3.3%. Similar to Caithness as a whole, most of this reduction (73%) occurred in the first half of the decade with much slower reductions since 2005. While these changes may be attributable to a number of causes, Highlands and Islands Enterprise in their Area Profile for Caithness and Sutherland (January 2011) suggest that "the decrease in population in these two settlements is partly associated with the long-term decommissioning of the Dounreay facility". The Grangeston report concludes that this is likely to be more the case for Thurso and its surrounding settlements where Dounreay-based staff are concentrated.

Relevant to population figures and projections is data about deprivation. The Scottish Index of Multiple Deprivation (SIMD)<sup>13</sup> is a relative measure of the concentration of deprivation across Scotland. It ranks relative levels of deprivation across areas called data zones. Data zones are the building blocks of official demographic statistics; they have median populations of 767 so that the geographic area covered can be much larger in rural areas than in urban. There are 6,505 data zones in Scotland and 292 in The Highland Council area. Deprivation is measured across seven 'domains' each of which is made up of a series of indicators. The domains are: income, employment, health, education, housing, geographical access to services and crime.

Commentators have questioned how accurately many of the different domains (other than geographic access) reflect deprivation both at the individual/household level particularly across rural contexts. In Caithness, as in the Highlands as a whole, some data zones take in a large geographic area, grouping together diverse populations with very different economic and social profiles. For example, a 2009 briefing paper by The Highland Council on SIMD<sup>14</sup> adopts a cautious approach to the housing deprivation results since the indicators such as overcrowding have an urban bias. The paper suggests that the real issues that cause housing stress in rural areas such as poor insulation, fuel poverty and lack of affordable housing are not sufficiently reflected within the SIMD framework. Revisions

<sup>1</sup>All SIMD data from the SIMD website at http://www.scotland.gov.uk/Topics/Statistics/SIMD/DataAnalysis

<sup>2</sup> Member Briefing Note: SIMD 2009 available at <a href="http://www.highland.gov.uk/highlandfactsandfiqures/deprivationandfragility/">http://www.highland.gov.uk/highlandfactsandfiqures/deprivationandfragility/</a>

were made to the methodology for SIMD in 2012 in part as an attempt to allay these concerns, however it would be premature to assume that deprivation did not affect individuals and families within Caithness across many data zones even if it does not appear so in the official rankings.

The overall rankings of the 37 Caithness data zones in the 2012 SIMD are shown in the table below. As can be seen, the majority - 21 out of the 37 - fall within the 50% most deprived in Scotland. Four of these are ranked in the 15% most deprived in Scotland on the overall index (and one in the 5% most deprived). All of these data zones are within Wick.

Relative to the 292 data zones in The Highland Council area, 23 of the Caithness data zones are among the 50% most deprived, with 10 among the 15% most deprived. Where appropriate, mention of specific deprivation indicators is made in the relevant section of this report.

Table 5: Overall rankings of the 37 Caithness data zones in the 2012 SIMD

Data zone	Name	Ward	Overall 2012 SIMD rank	Decile in Scotland	Highland ranking
S01003977	Wick Pulteneytown South	Wick	288	1	3
S01003985	Wick Hillhead North	Wick	404	1	6
S01003976	Wick South	Wick	578	1	9
S01003978	Wick South Head	Wick	918	2	15
S01003984	Wick Central North	Wick	1,231	2	23
S01003971	Lybster	Landward Caithness	1,301	2	25
S01003997	Thurso High and Low Ormlie	Thurso	1,339	3	26
S01004007	Thurso North West	Thurso	1,564	3	33
S01003986	Wick North Primary School	Wick	1,668	3	36
S01003969	Dunbeath	Landward Caithness	1,799	3	39
S01004000	Thurso Springpark	Thurso	2,066	4	48
S01004002	Thurso Central	Thurso	2,313	4	57
S01004001	Castletown	Landward Caithness	2,337	4	60
S01003972	Thrumster & Clyth	Landward Caithness	2,351	4	61
S01004004	Thurso Mount Pleasant	Thurso	2,476	4	69
S01003979	Wick South West	Wick	2,588	4	79
S01003981	Wick Pulteneytown North	Wick	2,619	5	81
S01003994	Keiss & Lyth	Landward Caithness	2,815	5	94
S01003989	Watten	Landward Caithness	2,988	5	105
S01004008	John O'Groats	Landward Caithness	3,172	5	115
S01003982	Wick Central South	Wick	3,251	5	123
S01003991	Wick North Rural	Landward Caithness	3,297	6	127
S01003998	Thurso Mount Vernon	Thurso	3,412	6	137
S01003992	Halkirk	Landward Caithness	3,714	6	161
S01004010	Dunnet	Landward Caithness	3,724	6	162
S01003993	Reay	Landward Caithness	3,773	6	166
S01003975	Westerdale	Landward Caithness	3,795	6	168
S01003999	Thurso Pennyland South	Thurso	3,801	6	169
S01003995	Thurso Rural	Landward Caithness	3,884	6	175
S01003980	Wick West Rural	Landward Caithness	3,906	7	177
S01004003	Thurso Pennyland Central	Thurso	3,928	7	180

Data zone	Name	Ward	Overall 2012 SIMD rank	Decile in Scotland	Highland ranking
S01003996	Castletown Rural	Landward Caithness	3,998	7	184
S01003987	Wick Broadhaven	Wick	4,242	7	202
S01003983	Wick Hillhead South	Wick	4,443	7	222
S01004005	Thurso Central West	Thurso	4,449	7	223
S01004006	Thurso Pennyland North	Thurso	4,692	8	242
S01004009	Scrabster	Thurso	5,132	8	266

# **Key issues**

Caithness has arrested a decline in overall population levels and is projected to grow, but at a lower rate than most of the Highland area.

Although the overall Caithness population is growing, the main towns of Thurso and Wick are seeing population decline.

Almost 30% of the Caithness population is projected to be aged 65 or over by 2035.

An older and ageing population structure potentially makes the area's economy fragile and puts a strain on public services / resources.

Deprivation is an issue which affects parts of Caithness. It is most evident in Wick, where parts of the town are within the 5% and 15% most deprived in Scotland. However 10 of the 37 Caithness data zones are within the 15% most deprived in The Highland Council area.

# 5 Economy

### 5.1 Industrial profile

The economy of Caithness was once booming as a result of buoyant farming, crofting, quarrying and fishing industries. Today, the traditional land-based industries still account for 12.9% of employment (and the flagstone industry is making something of a come back) but the area's economy has become increasingly reliant on tourism, hi-tech industries and nuclear decommissioning. Public administration, education and health are however the largest sectors of the Caithness economy in employment terms, with female employees significantly outnumbering males. Table 6 below indicates the nine largest employers in Caithness.

Table 6: Caithness' largest employers

Company	Nos. of employees
The Highland Council	1210
Dounreay Site Restoration Ltd	840
The North Highland College	275
Rolls Royce - Vulcan	250
Nuvia	150
JGC Engineering	130
Johnson Controls	120
Subsea 7	110
Nuclear Decommissioning Services Ltd	99

Source: Caithness Chamber of Commerce, 2013. Note that number of NHS staff employed in Caithness could not be confirmed.

Recent changes, most notably the decommissioning of the Dounreay site and the local impacts of global recession, continue to pose a challenge to the area's economic prosperity. Although Dounreay continues to be a major employer and economic driver for Caithness, as the decommissioning continues there will be severe implications for future prosperity. Diversification of the business base and a re-skilling of the local labour market has therefore been the focus of agency efforts in recent years, in particular through the Caithness & North Sutherland Regeneration Partnership, its *Action Plan for Caithness and North Sutherland 2007-2010* and the associated *Delivery Plan for 2011-2014*.

Current and future economic development concentrates on key sectors such as energy, tourism and research.

There is seen to be wide scope in developing work associated with nuclear contracts, utilising skills from the decommissioning of Dounreay, both within the UK and overseas. The renewables industry (in the marine, onshore and offshore wind sectors) offers significant opportunities given current and proposed developments in and around Caithness. The Pentland Firth and Orkney Waters Marine Energy Park has recently made an agreement with the South West Marine Energy Park in south west England to work together to support the development of the wave and tidal industry in the United Kingdom.

UHI has established its Environmental Research Institute in Thurso, a facility which focuses on research based on the natural resources of Caithness, including the Pentland Firth and the Flow Country. In tourism, HIE has invested in John O'Groats, one of the most iconic destinations in the UK. Improvements there include restoration of the John O'Groats Hotel and an extensive development of high quality eco-lodges by holiday company, Natural Retreats.

The Council's renewable energy strategy published in 2006 recognised the potential of the area's marine renewable resources, but acknowledged that at that time, the industry needed to develop the necessary technology to fully exploit its potential. Targets were set to reflect this, 400MW of installed capacity by 2020. However, as a reflection of the speed of technological change, that target now seems conservative. The amount of installed capacity estimated to be generated by 2020 from the world's first commercial scale leasing round for wave and tidal energy in the Pentland Firth, is now expected to be closer to 1000MW.

Along with its partners, The Highland Council is working to ensure that Caithness and Sutherland maximises the economic opportunities that the development of a marine renewables industry can bring. The area is seen to have a lot to offer:

- A skilled workforce experienced in the oil and gas and nuclear energy industries
- A top quality higher and further education sector working to ensure that it can provide the necessary technical and professional skills required by the marine renewables industry
- A well developed engineering and energy supply chain capable of supporting marine renewables developments
- A port and maritime infrastructure with all the necessary skills, expertise and local knowledge to support marine renewables developments
- A "joined up" public sector looking to work closely with potential inward investors to Caithness and North Sutherland and to lobby government to ensure the necessary grid infrastructure is in place to allow the growth of the marine renewables industry.

These and other opportunities are being promoted through the Invest Caithness initiative, with its inward investment website established by Caithness Chamber of Commerce (www.investcaithness.com).

#### 5.2 Gross Value Added

The Gross Value Added (GVA) of an area can provide an indicator of its relative economic performance. GVA is "the difference between the value of goods and services produced (output) and the cost of raw materials and other inputs which are used up in production (intermediate consumption), i.e. the value added by any unit engaged in production. This is calculated gross of any deductions for depreciation or consumption of fixed capital<sup>15</sup>".

<sup>&</sup>lt;sup>15</sup> Office of National Statistics *Regional Accounts Methodology Guide* (2012).

Under the European Union Nomenclature of Territorial Statistics (NUTS) regulation, the UK is legally bound to produce annual regional accounts including GVA figures to NUTS3<sup>16</sup> level. Regional GVA is measured at current basic prices which is:

- Gross domestic product (GDP)
- Less taxes on products
- Plus subsidies on products.

Table 8 shows GVA figures for Scotland as a whole, Highlands and Islands, and regions (NUTS3) within the Highlands and Islands between 2002 and 2011. Caithness forms part of NUTS3 region, Caithness & Sutherland and Ross & Cromarty. This region contributed a significant proportion (13.2%) of the GVA for Highlands and Islands over that period. It also performed well, growing by 68.8% compared to a Highlands and Islands figure of 67.4%, a figure which was only exceeded by the Western Isles. It should be noted however that this ranking will also reflect the level of activity within Ross & Cromarty.

#### **5.3** Gross Domestic Product

Gross Domestic Product (GDP) per head of population provides another indicator of relative economic performance. Again this is measured at NUTS3 level. The GDP per capita for each of the six NUTS3 regions in the Highlands and Islands as a percentage of the level for the Highlands and Islands overall is shown below in Table 7.

Table 7: GDP per Head of Population (% of Highlands and Islands)

Area	2002	2003	2004	2005	2006	2007	2008
Highlands and Islands	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Caithness & Sutherland and Ross & Cromarty	90.4	92.4	88.5	85.4	88.2	91.2	87.7
Inverness & Nairn and Moray, Badenoch & Strathspey	110.2	106.4	105.2	106.5	108.0	110.6	111.0
Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute	92.2	93.6	92.7	93.0	93.4	86.6	87.7
Eilean Siar (Western Isles)	82.5	91.9	95.8	93.0	87.3	88.9	89.0
Orkney	93.4	99.4	108.4	100.0	99.1	103.7	103.2
Shetland	125.3	127.3	138.2	142.7	125.9	122.7	128.3

Source: Grangeston, 2012.

The trend shown for Caithness & Sutherland / Ross & Cromarty is less promising than that shown for GVA in Table 8. The region had the lowest GDP per head in three of seven years between 2002 and 2008, and ranked 4<sup>th</sup> or 5<sup>th</sup> in the remaining years.

<sup>&</sup>lt;sup>16</sup> NUTS (Nomenclature for Territorial Statistics) are administrative geographies recognised by the European Union and used for the collation and comparison of various statistics.

Table 8: Headline GVA at current basic prices (£million)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	% growth
Scotland	75,195	79,896	84,607	89,449	95,253	101,097	104,011	102,786	106,080	108,098	69.56
Highlands and Islands	5,107	5,489	5,896	6,167	6,570	6,988	7,169	7,079	7,411	7,579	67.38
Caithness, Sutherland,											
Ross & Cromarty	965	1,029	1,096	1,142	1,237	1,329	1,365	1,333	1,376	1,402	68.83
Inverness & Nairn and											
Moray, Badenoch &											
Strathspey	2,207	2,394	2,558	2,675	2,827	3,000	3,079	3,054	3,205	3,274	67.41
Lochaber, Skye &											
Lochalsh, Arran &											
Cumbrae and Argyll &											
Bute	1,104	1,152	1,239	1,296	1,396	1,493	1,534	1,505	1,581	1,621	68.11
Eilean Siar (Western											
Isles)	292	324	357	377	394	407	405	388	395	397	73.55
Orkney Islands	212	232	260	273	292	311	325	326	337	345	61.45
Shetland Islands	328	357	385	404	424	448	461	473	517	540	60.74

Source: Office of National Statistics Regional Accounts (2012)

### 5.4 Business Start-Up Rates

Table 9 below shows the business start-up rates for Caithness & Sutherland, Highlands and Islands and Scotland between 2005 and 2008. The basis for reporting this data changed in 2009 so that data is no longer presented for the former local Enterprise Company areas such as Caithness & Sutherland.

Table 9: Business Start-up rates

Business Start-Up Rates (per 1,000 population)						
Area	2005	2008				
Caithness & Sutherland	3.4	4.6				
HIE	4.7	4.0				
Scotland	4.2	3.9				

Source: Grangeston, 2012.

In 2005, Caithness & Sutherland had the lowest business start-up rate (per 1,000 of population) in the Highlands and Islands at 72% of the rate for the region overall. However, in 2008 the start-up rate in Caithness & Sutherland rose to 4.6, representing 115% of the Highlands and Islands rate and an above average rate compared to Scotland as a whole (3.9). This is a significant increase, which HIE in their Area Profile for Caithness & Sutherland suggested may reflect the changing structure of the Caithness & Sutherland economy.

The HIE Area Profile also reports that in the first three quarters of 2009 there were 17.4% fewer business start-ups in Scotland than its 2008 quarterly average and 14.7% fewer start-ups at the Highlands and Islands level. In the Scottish Parliamentary constituency of Caithness, Sutherland and Easter Ross the start-up rate fell at a considerably greater rate (22.9%), although this represents a decline of just 16 new starts per quarter in absolute terms (Grangeston, 2012).

New and existing businesses in Caithness have access to a range of support. As well as services such as Business Gateway which are available more widely, there is access to support from organisations mentioned in Section 3 such as HIE, Caithness Chamber of Commerce and the Caithness and North Sutherland Regeneration Partnership. The North Highland Regeneration Fund has been established by the Nuclear Decommissioning Authority to provide loan funding complementing other existing sources of funding for small businesses. This initiative is designed to pump-prime both the start-up of new ventures and the growth of existing businesses as part of the drive to replace the jobs which will be lost in the Caithness & Sutherland area as the Dounreay nuclear plant is decommissioned. The Fund operates independently of the Nuclear Decommissioning Authority which has to date given £1.8M to provide loan funding to complement other existing sources of funding for small businesses.

#### 6.5 Challenges faced by the business sector

The Caithness Chamber of Commerce provided the following information about challenges facing many of its member companies:

**Access to skilled labour** – Caithness is undergoing a major economic and social transition process, from a nuclear dependent economy to a diverse economy supporting a wider range of sustainable employment opportunities. In order to make the most of these opportunities the Caithness workforce must also undergo a transition to increase the skills base and knowledge that will be required within the new sectors. Caithness is also competing with other areas to retain and attract a skilled workforce. These issues are being addressed through CNSRP and the Caithness Chamber *Make the Right Connections* project.

**Access to finance** – Many businesses are still facing difficulties in accessing finance, in particular micro, small and young businesses are struggling to get the finance they need form traditional lenders such as banks to sustain and grow their business.

**Cost of doing business** – The cost of doing business continues to increase, with VAT at a rate of 20% rising utility bills and sharp increases in the price of fuel, adding to the cost of running company vehicles, raw materials and distribution, it can be difficult for businesses to plan effectively and grow their business.

**Pay and Employment costs** – Changes to workplace pensions law means that from 2017 all employers will have to enrol each of their staff between the age of 22 and state pension age, who earn more than £8,105 a year into a workplace pension scheme. The date a business has to comply depends on the number of employees it has. The process began in October 2012 and will end in April 2017. The changes present challenges of a financial nature, but will also put pressure on time resources and may provide an administrative burden for many businesses.

### **Key issues**

The economy is in transition from reliance on Dounreay which is in the process of decommissioning (due for completion by 2023).

There is a need for diversification and some promising opportunities (and recent growth) focus on areas such as tourism, food and drink, and renewables.

Meeting the challenge of retaining skilled labour associated with Dounreay.

New and existing businesses looking to expand have clear routes to advice and support but face challenges regarding pay and employment costs, access to finance and the cost of doing business.

# **6 Employment & Income Levels**

In 2011, there were approximately 19,000 people in paid employment (i.e. excluding self-employment) within Caithness and Sutherland, an employment rate of 77% (HIE, 2013). This is exactly commensurate with Highlands and Islands as a whole, while Scotland overall had a lower employment rate of 70.6%.

In Caithness itself there were 10,900 people in employment, excluding self employment. Dounreay employs just over 800 staff and a similar number work in its supply chain. The decommissioning programme is expected to be complete by 2023 after which only a handful of jobs will be required to look after what remains of the site. Employment is spread across the three Council wards as follows.

Table 10: Employment figures across the three Council ward areas

	Thurso	Wick	Landward	Caithness
Number of people in employment	2,700	3200	5,000	10,900

Source: The Highland Council Ward Profiles

### 6.1 Employment by Industry Sector

The Grangeston report analyses historic trends in employment in Caithness and North Sutherland. It points out that up until 2008, data on the number of employees by sector was gathered through the Annual Business Inquiry. Table 11 below shows the data available for 2006 and 2008 for Caithness and North Sutherland (CNS) and for the HIE area as a whole.

In 2006, Caithness & North Sutherland had a smaller share of employees compared to the Highlands and Islands in six of the eight industrial sectors used. Notably, CNS had 86% more employees in manufacturing, energy & water (18.6% of employees compared to 10.0% in the Highlands and Islands) and almost 40% more in banking, finance & insurance (including business services).

Between 2006 and 2008, Grangeston suggests that CNS experienced some major changes in its economic growth and employment structure compared to that experienced across the Highlands and Islands overall. In comparison to the HIE area significant increases are noted in:

- agriculture and fishing (+21.2% in CNS compared with -1.7% in the HIE area)
- construction (+5.3% compared with +0.4%)
- distribution, hotels & restaurants (+11.5% compared with +0.6%), and
- banking, finance and insurance (+33.1% compared with +19.8%).

Similar too much of the Highlands and Islands, tourism (for which distribution, hotels & restaurants is seen as a proxy) is a growth sector in Caithness, with many popular attractions in the area (see Appendix D for a list of some of these). However, tourism-

related jobs are often characterised by seasonality, part-time working and low average gross weekly pay.

CNS also saw strong growth in employees working in transport & communications, only slightly exceeded by the HIE area. Indeed, only in this sector and other services did the HIE area achieve a higher (absolute) change in numbers employed compared to CNS. Moreover, Caithness & North Sutherland achieved a 4.3% increase in total number of employees compared to an increase of 3% for the Highlands and Islands as a whole.

However, there were marked declines in employees in public administration, education and health (which includes defence) (265 in absolute terms) and manufacturing, energy and water (266). The Grangeston report suggests that the reduction in the numbers employed in manufacturing, energy & water could be due to reduced numbers at the Dounreay facility and possibly in suppliers to Dounreay.

In all sectors other than transport & infrastructure and other services, CNS experienced generally significantly greater changes (positive and negative) in the number of employees than the HIE area when comparing 2008 to 2006, suggesting the CNS economy may be less stable and more subject to change than that of the Highlands and Islands as a whole.

The Office for National Statistics' (ONS) Business Register and Employment Survey (BRES) replaced the Annual Business Inquiry (ABI) from 2008 as the basis for arriving at annual estimates of employment<sup>17</sup>. Table 11 below provides estimates of the share of employment by sector for 2008, 2009 and 2010 through the Business Register and Employment Survey, rounded to the nearest 100 employees (thus, individual percentages, particularly for the smaller sectors, could be up to 0.5 percentage points out).

Table 11: Employees in Employment by broad industrial sector 2008-2010, Caithness and North Sutherland (& of overall employees)

Industry	2008	2009	2010
Manufacturing	7.0	8.4	6.9
Construction	6.2	5.9	5.2
Motor Trades	0.8	0.8	0.9
Wholesale	2.3	1.7	2.6
Retail	10.1	10.1	9.5
Transport & storage	3.1	3.4	3.4
Accommodation & food services	9.3	9.2	7.8
Information & communication	1.6	1.7	1.7
Financial & insurance	1.6	0.8	0.9
Property	0.8	0.8	0.9
Professional, scientific & technical	7.0	7.6	6.9
Business administration & support services	8.5	5.0	6.9

 $<sup>^{\</sup>rm 17}$  The ONS note that there is a discontinuity between BRES and ABI data.

.

Total	100.0	100.0	100
Agriculture, forestry, fishing, mining & quarrying	10.9	11.8	12.9
Arts, entertainment, recreation & other services	2.3	2.5	2.6
Health	17.1	16.0	17.2
Education	8.5	9.2	8.6
Public administration & defence	3.1	5.0	5.2

Source: NOMIS (BRES) in Grangeston 2012. Figures rounded to 100 to protect confidentiality.

From this data, the Grangeston report finds that employees in employment in CNS fell in the following sectors between 2008 and 2010:

- Construction (16.2%)
- Retail (5.9%)
- Accommodation and food services (16.1%)
- Financial and insurance (31.3%)
- Business administration and support services (falling significantly and then recovering to a degree) (18.8%)

However there was some growth, in particular in:

- Wholesale (13%)
- Transport & storage (9.7%)
- Public administration and defence (67.7%)
- Arts, entertainment, recreation and other services (13%), and
- Agriculture, forestry, fishing, mining & quarrying (18.3%)

This is in the wider context of an 11.6% decrease in the overall number of employees in Caithness and North Sutherland between 2008 and 2010 most likely reflecting (in part at least) the global economic downturn.

Table 12 below shows a breakdown of employment in 2011 across the three Highland Council wards in Caithness.

Table 12: Employees in Employment by broad industrial sector across the three Council wards, 2011

Percentage of people employed in:	Thurso	Wick	Landward	Highland	Scotland
Agriculture, forestry & fishing	0.1	0.8	0.4	1.6	2.6
Mining, quarrying & utilities	0	4.4	20.4	2.1	2.6
Manufacturing	2.5	1.9	12.4	6.5	7.5
Construction	6	10.6	5.1	6.8	5.7
Motor trades	1.5	1.1	0.7	2.2	1.7
Wholesale	2.6	0.6	3.1	2.6	2.9
Retail	18.4	13	6.9	11.2	10.2
Transport & storage (inc postal)	7.8	3.1	2.2	5.1	4.1
Accommodation & food services	15.6	5	5.6	11.6	7.1
Information & communication	0.4	1.1	2.2	2	2.4
Financial & insurance	1.8	0.9	1.5	1.1	3.5
Property	1.5	1	0.9	1.7	1.4
Professional, scientific & technical	5.7	2.7	13.1	4.7	6.3

Business administration & support services	1.3	1.2	12.9	5.4	7.4
Public administration & defence	3.8	7.6	1.1	5.6	6
Education	14.3	7.5	4.1	8.2	7.8
Health	12.6	35.5	6.3	17.1	15.8
Arts, entertainment, recreation & other services	4.2	2	0.9	4.5	4.4

Source: The Highland Council Ward Profiles from BRES 2011

This shows how employment in Thurso is strong in retail, accommodation (likely related to Dounreay) and education (with North Highland College); in Wick the main sectors are construction and health (with Caithness General Hospital); outside the two towns the strongest sectors are mining, quarrying and utilities, professional and technical, business administration and manufacturing (with a number of relatively small manufacturers based in the rural area). In this last regard, of course, the recent liquidation of Icetech in Castletown (April 2013) could have a dramatic effect.

### 6.2 Unemployment and income levels

Figure 3 shows trends in unemployment rates for Caithness and Sutherland, the HIE area and Scotland between 2005 and 2011.

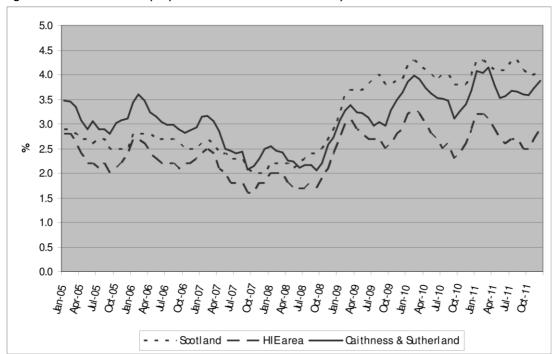


Figure 3: Claimant Unemployment Rates between January 2005 and December 2011

Source: Grangeston (2012)

The Highlands and Islands have higher economic activity rates than Scotland as a whole, with more people both employed and self-employed and fewer unemployed. The claimant rate during January to March regularly peaks for the Highlands, reflecting the stronger pattern of seasonal unemployment compared to Scotland as a whole.

Unemployment rates in Caithness and Sutherland have been higher than the average for the Highlands and Islands over this entire period, with the rate of unemployment in the Wick Travel to Work Area particularly high (HIE Area profile for Caithness & Sutherland, 2012).

Unemployment rates were generally decreasing until mid to late 2008 with the onset of the financial crisis and global recession. However, Caithness & Sutherland showed higher unemployment than Scotland until mid-2008, since when it has continually experienced lower unemployment. In 2012, the unemployment rates for both Scotland and Caithness & Sutherland were around 4%, while that for the HIE area was under 3% (Grangeston, 2012). Table 13 below shows that for Caithness unemployment is still of significant concern compared to the Highland region and Scotland as a whole.

Table 13: Latest unemployment rates in Caithness compared to Highland and Scotland

March 2013 unemployment rates (%)	Wick	Thurso	Landward	Highland	Scotland
Unemployment rate	6.2%	4.1%	2.5%	3.1%	4.3%
Long term unemployment rate(6 months or more)	3	1.9	1.2	1.1%	1.9%
Youth unemployment rate (18-24)	12.6	8.7	6.2	5.9%	7.6%
Youth long term unemployment rate	5	3.5	2.1	1.6%	2.7%

Source: Highland Council Ward Profiles

Wick has the second highest unemployment rate in Highland (after Inverness Central) and the highest rate of youth unemployment, long term unemployment and youth long term unemployment. All unemployment measures in Thurso are also above the Highland average as are the figures for Landward Caithness other than the basic unemployment rate. Compared to Scotland as a whole, Wick is again well above average for all measures of unemployment while Thurso is higher than average in the measures of youth unemployment.

Table 14 below shows some key data in relation to employment and income deprivation across the three Caithness wards. There is a clear pattern within Caithness with the Landward Ward faring better than both Thurso and Wick, and indeed Highland and Scotland as a whole. Thurso experiences more employment and income deprivation than Highland as a whole, but Wick has a significant level of income deprivation in comparison to the rest of Caithness, Highland and Scotland as a whole. Household incomes in Wick are the second lowest in Highland, only slightly above those in Inverness Central.

Table 14: Employment & income deprivation

	Thurso	Wick	Landward	Highland	Scotland
Percentage of employment deprived people	13.1	16.5	10.0	10.1	12.8
Percentage of income deprived people	12.6	18.4	9.5	10.6	13.4
Average annual	£32,644	£28,487	£35,091	£33,039	£34,569

	Thurso	Wick	Landward	Highland	Scotland
household income					
Percentage of	17.1	21.4	13.8	16.3	16.5
households earning					
less than £10k per					
year					

**Source:** Highland Council Ward Profiles, from Scottish Index of Multiple Deprivation 2009 updated and CACI Paycheck 2011.

These figures are also reflected in the percentage of secondary pupils registered for free meals<sup>18</sup> in 2011/12.

Table 15: Percentage of pupils registered for free school meals

	Thurso	Wick	Highland	Scotland
Percentage of pupils	12.4%	15.0%	11.0%	15.4%

#### 6.3 School leaver destinations

Discussion of youth unemployment is related to what young people do when they leave school. The latest information on school leaver destinations<sup>19</sup> as set out in the table below shows a marked difference between the two secondary schools in Caithness. A higher proportion of pupils went into Higher Education from Thurso than the Highland or Scottish averages, while the figure from Wick was well below the averages and half that of Thurso. This is reversed in the proportions that went on to employment. Both Thurso and Wick had a higher proportion going on to Further Education. In Wick the percentage of school leavers who went straight into unemployment (but who sought work or training) was well above average, as was the percentage that went into unemployment without seeking work or training. Across Highland the main reasons for not seeking employment or training were illness or disability, pregnancy and taking a gap year.

Table 16: School leaver destinations

	Thurso High School	Wick High School	Highland	Scotland	
Higher education	39.5	19.7	33.6	35.7	
Further education	32.0	28.9	21.8	27.1	
Training	1.2	2.3	1.7	5.2	
Employment	15.1	31.2	29.2	18.5	
Voluntary work	0	0	0.4	0.3	
Unemployed seeking	8.1	15.0	9.7	11.3	
Unemployed not seeking	1.2	2.9	1.9	1.3	
Not known	2.9	0	1.7	0.6	

\_

<sup>&</sup>lt;sup>18</sup> www.educationscotland.gov.uk/scottishschoolsonline

<sup>&</sup>lt;sup>19</sup> Skills Development Scotland. School Leaver Destination Report: 2009/10, Highland Council.

#### **Key issues**

In Caithness there were 10,900 people in employment, excluding self employment. Dounreay employs just over 800 staff and a similar number work in its supply chain. Not all of Dounreay employees live in Caithness, but the implications are that once decommissioning work is completed the employment situation will be severe.

Wick has the second highest unemployment rate in Highland and the highest rate of youth unemployment, long term unemployment and youth long term unemployment. Employment rates in Thurso are also above the Highland average as are the rates for Landward Caithness; other than the basic unemployment rate.

While Thurso has a higher than Highland average rate of employment and income deprivation, Wick has a significantly higher level of income deprivation than the rest of Caithness, Highland and Scotland as a whole. Average household incomes in Wick are the second lowest in Highland.

In Wick the percentage of school leavers going straight into employment and unemployment (but who sought work or training) was significantly above average, as was the percentage that went into unemployment without seeking work or training.

# 7 Education and Training

There are two secondary schools and 18 associated primary schools serving Caithness. Thurso High School has a roll of 990 and serves the town and the surrounding rural area including the villages of Castletown, Dunnet, Halkirk and Reay. Wick High School has a roll of 860 and has 11 associated primary schools across the east of the county. The Highland Council is currently progressing a scheme to build a replacement Wick Community Campus. Construction is expected to begin in 2013 with completion in 2015. The total project cost for the Wick High School element is £19 million<sup>20</sup>.

Scottish School Online provides figures showing that in 2011/12 80% of S4 pupils at Thurso and 76% at Wick achieved five or more awards at SCQF Level 4 (Standard Grade General Level) compared to Highland and Scottish averages of 81% and 80% respectively. By S6 34% and 27% achieved three or more awards at SCQF Level 6 (Higher) compared with the averages of 39% and 36%. In Thurso 54% of S4 pupils stayed on to 6th year, with 50% staying on in Wick, compared with the averages of 60% and 56%.

As pointed out in Section 6 Thurso's rate for progression into Higher Education in 2009/10 was double that of Wick and above the Highland or Scottish averages. Thurso and Wick have a higher proportion going on to Further Education.

Figures are also given in Scottish Schools online for absences from school and, as shown in Table 17 below, Wick had consistently higher levels of unauthorised absence.

Table 17: Percentage of unauthorised absences for 2010/11

	S1	S2	S3	S4	S5	S1-S5
Wick High School	3.1%	3.4%	4.7%	8.4%	6.3%	5.1%
Thurso High School	1.6%	2.1%	2.0%	4.0%	3.8%	2.7%
Highland	1.8%	2.1%	3.2%	3.9%	3.9%	2.9%
Scotland	1.6%	2.3%	3.2%	3.5%	3.1%	2.7%

In its ranking of deprivation under education and training measures, SIMD shows 4 of the Caithness data zones among the 15% most deprived in Scotland. These are Wick Hillhead North, Wick Pulteneytown South, Wick South Head and Wick North Primary School.

The Wick Community Campus will comprise age-range 3 to 18 educational provision and extensive community facilities, including a replacement community swimming pool and a replacement community library. The project will replace the existing Wick High School, South Primary School, Pulteneytown Academy Primary School, the Carnegie Library and the community swimming pool. Scheduled to open in August 2015, the new high school will accommodate 760 pupils - the highest anticipated roll figure in the next 15 years. The new primary school will accommodate between 334 and 360 pupils; although current projections suggest the initial roll will be around 305 pupils. Additionally a new primary school to

<sup>&</sup>lt;sup>20</sup> Highland Council Adult and Children Services Committee March 2013.

replace the existing North and Hillhead Primary Schools will be built on the site of the existing North Primary School.

Table 18 below shows the level of highest qualification held by those living in Caithness, by Council ward. Although these figures are relatively old, being compiled from the 2001 Census, they indicate that qualification levels in Caithness are below average.

Table 18: Qualification levels by Council Ward

Percentage of 16-74 year olds* whose highest qualification is:	Landward	Thurso	Wick	Highland	Scotland
Group 1	24.4	26.9	26.8	26.1	24.7
Group 2	13.6	15.0	13.2	15.3	15.7
Group 3	7.6	10.3	5.5	6.4	7.0
Group 4	17.8	15.6	11.8	19.6	19.5
No qualifications	36.5	32.1	42.6	32.6	33.2
* total 16-74 year olds	7,256	5,936		152,675	3,731,079

- Group 1: 'O' Grade, Standard Grade, Intermediate I or 2, City & Guilds Craft, SVQ level 1 or 2 or equivalent
- Group 2: Higher Grade, CSYS, ONC, OND, City & Guilds Advanced Craft, RSA Advanced Diploma, SVQ level 3 or equivalent
- Group 3: HND, HNC RSA Higher Diploma, SVQ level 4 or 5 or equivalent
- Group 4: First degree, Higher degree, Professional qualification

Source: Census 2001, in Highland Ward profiles 2012.

Caithness has had the benefit of Dounreay as a driver to attract and develop skilled labour, and this has brought a high level of both generalist and specialist opportunities. The Grangeston report includes an assessment of the skills of staff and contractors currently working at Dounreay. It highlights that skill levels will be among the key assets that determine the ability of the Caithness and North Sutherland economy to benefit from any remaining employment opportunities arising from decommissioning; and perhaps, more importantly, those skills will support any emerging activities that will allow the area to diversify.

North Highland College (NHC) UHI serves the community of northern Scotland. In Caithness it has a campus in Thurso and a specialist Equestrian Centre in Halkirk. NHC provides a range of further and higher education courses. It also has a key role to play in taking forward new training opportunities that will diversify the skills base within Caithness. For example, NHC has become a centre for research through facilities such as its Environmental Research Institute and associated Centre for Energy and the Environment. A new Engineering, Technology and Energy Centre (ETEC) have also been established, operating as a hub for employer-led training and education in engineering and associated trades for the North Highland area.

These developments at NHC illustrate the potential for utilising the advantages of the existing skills base in key growth sectors to provide opportunities for more local people to increase their skills base; as well as attracting students and researchers to the area.

Alongside its formal education provision, The Highland Council's charitable arm, Highland High Life, supports some of the community learning provision available across Caithness for both adults and young people. The training centre within Pulteneytown People's Project, for example, runs a range of computing, hobby groups and community art classes with over 70 people a week attending the hobbies groups alone. Older adults participate in classes organised through the Dounreay Age Concern and Technical College (DATEC) and other community-based adult learning programmes which may arise. Other learning opportunities are provided by specific interest groups such as Castletown Heritage Society which, for example, through the Castlehill Heritage Centre, runs workshops and training days on local and vernacular skills (driftwood sculpture, rope making and drystone dyking for example) and which preserve and celebrate 'the character, history and traditions of the village of Castletown and Parish of Olrid<sup>21</sup>.

High Life Highland also funds two youth workers linked with the two high schools. A 2012 HM Inspection of the learning community surrounding Thurso High School<sup>22</sup> noted the good range of targeted learning programmes in school and community settings that are 'successfully engaging older teenagers and young adults' and that 'many young people participate actively as volunteers in a wide range of settings, in peer learning activities and as mentors. They actively contribute to their communities in a variety of ways, including participation in major community events and in fundraising for local charities.' However, this view was not particularly endorsed by participants across most age groups in the Caithness Conversation.

High Life Highland also operates the Caithness Youth Forum which supports young people to explore the issues that are important to them and enables them to work together to act as a collective voice for young people in Caithness. The forum is affiliated to the wider Highland Youth Voice, the region's youth parliament that provides a mechanism for young people to contribute to wider Highland policy development.

Across Caithness a wide array of voluntary organisations such as Brownies, Guides, Cubs, Scouts, Boys Brigade, Pipe Bands and Cadet groups provide structured informal learning for many children and young people and engage a diverse range of community volunteers.

\_

<sup>&</sup>lt;sup>21</sup> http://www.castletownheritage.co.uk/

Education Scotland, Learning Community Inspection, 2012

### **Key issues**

Figures from the 2001 Census suggest that qualification levels in Caithness have been below average.

There are lower levels of pupils staying on to 6th year and of attainment amongst school pupils at Higher Grade.

The rate for progression into Higher Education in Thurso in 2009/10 was double that of Wick and above the Highland or Scottish averages.

Developments at North Highland College UHI provide new opportunities to learn skills directly connected to key growth sectors in Caithness.

There are a diverse range of activities and groups supporting informal learning for children, young people and adults – although the perception through the Caithness Conversation was that provision for young people is limited.

# **8 Transport and Access to Services**

Until the early 19th Century there was no road into Caithness to speak of, and trade links were all by sea. Today, Caithness is served by the A9 arterial route from Inverness (over 100 miles away), which forks at Latheron with the A9 heading to Thurso and Scrabster and the A99 proceeding to Wick and on to John O'Groats.

Wick and Thurso are connected by the A882, the B876 (via Castletown), and the B874 (via Watten and Halkirk) while the A836 runs from John O'Groats to Thurso and west along the north coast to Sutherland. A network of minor roads connects with more rural areas.

Thurso's port, Scrabster, is the main commercial and passenger port connecting Orkney to the mainland, with vehicle ferries sailing regularly from here as well as from Gills Bay. There are also regular sailings to Orkney by passenger ferry from John O'Groats.

There are daily flights to Aberdeen from Wick John O'Groats Airport on weekdays and flights six days per week to Edinburgh.

Train services from Inverness serve Thurso and Wick travelling via central Sutherland. The train journey to Thurso from Inverness takes nearly 4 hours, with a further 30 minutes to Wick. The bus journey from Inverness to Thurso is just over 3 hours (arriving in Wick around 15 minutes earlier). Public bus services connect the main towns in Caithness and there are limited rural services available.

The Caithness Community Transport run by Caithness Voluntary Group provides a valued service to those with limited access to public transport. However, access to transport in much of Landward Caithness remain very much an issue, with those living in 13 of the area's 37 data zones experiencing poorer access to services such as a GP, shop, petrol station or post office than 85% of Scotland's population as a whole; with those living in eight of these data zones experiencing poorer access than 95% (SIMD, 2012). This issue was further highlighted by research that the Caithness Partnership carried out with the Carnegie UK Trust under their Rural Action Research Programme in 2009; as well as within the Highland LEADER Caithness Development Plan.

The Carnegie UK Trust research also found that lack of transport, particularly for the young, elderly or less physically-able people, was an issue particularly in the Landward Ward. A survey carried out in collaboration with Dunnet & Canisbay Community Council revealed that 62% of respondents felt that transport was the most difficult aspect of life in their community. In particular, there were felt to be shortcomings in the local bus services and fuel prices were also considered a problem. Poor access to leisure facilities and clubs was a common issue, as well as lack of local shops and post offices.

The main transport issues are essentially access (or lack thereof) to services and the opportunities for travel. However, some of these issues may be overcome through

innovative models of service provision; for example internet-based or peripatetic services. Nonetheless, availability of public transport will remain key to the ability to access leisure opportunities that cannot economically be provided locally (e.g. a cinema or swimming pool) and to take up employment, visit friends and family or simply enjoy a day out.

The researchers found that local bus services did not meet respondents' needs because they were often scheduled at times that were not practical on routes that were not appropriate; did not stop in a particular community; or were serviced by buses that people with limited mobility could board. An example was cited of travelling from Canisbay to attend a routine clinic at the hospital in Wick, which could take a whole day because a patient would first have to travel to Thurso and then on to Wick, as there is no service on the shorter, more direct route.

In June 2008 the Caithness Partnership, working with NHS Highland, carried out a survey of health services in the county. While this research found that health facilities were generally felt to be of good quality, the top issue identified by 304 out of 500 respondents was that they had difficulty in accessing those facilities due to insufficient public transport being available.

At the 2009 Caithness Youth Conference, 8% of delegates said that they could not get public transport to North Highland College to attend the course they wanted to and a further 19.5% were able to attend only by using their own transport.

A LEADER consultation conducted in November 2008 found that, under the topic of 'Access to Activities, Facilities and Services', a comprehensive public transport timetable was rated second highest priority for Caithness (62.9% of participants voting for this) and rural transport initiatives were scored third highest priority (58.9%). Activities for young people were voted top priority under the topic.

The Caithness Transport Forum, coordinated now by the Caithness Chamber of Commerce, is the delivery partner for transport to the Caithness and North Sutherland Regeneration Partnership (see below) and in that role is seeking to improve Caithness' transport infrastructure. It has been instrumental in securing the funding package that has enabled proposed improvements to a section of the A9 trunk road at Berriedale Braes to get to 'shovel ready' status. A sub-group, Caithness Bus Users Group, meets twice per year.

#### **Key issues**

Transport to Caithness is time consuming and expensive, but some routes are improving.

Issues exist around transport and access to services and opportunities, from sport and leisure to health services, education, work and social activities. These are particularly prevalent in the Landward ward for those dependent on public transport, particularly including younger and older people.

The anticipated upgrade of Berriedale Braes is important to the further development and sustainability of Caithness, not least in attracting new business, increasing visitor numbers and alleviating concerns of many residents.

# 9 Housing and Health

Housing development and need patterns vary greatly across the Highland area. Overall, with a growing population and the continued trend towards smaller household size, the demand for housing is high. The average house price in Highland is close to the Scottish average, at £172,254 in 2011, compared to £186,649 in Scotland. The lack of sufficient housing to meet demand and the lower average incomes combine to mean that "chronic and persistent lack of affordable housing is one of Highland's biggest challenges"<sup>23</sup>.

However, house prices in Caithness are significantly lower than in both the Highlands and Scotland as a whole, as shown in Table 19 below. Between 2005 and 2008, the increase in house prices in Caithness and Sutherland combined (+17.7%) was lower than for Scotland (+31.6%), and the rate of increase in the area over the period was approximately half of that recorded for the Highlands and Islands<sup>24</sup>. Housing affordability therefore tends to be less of an issue in Caithness than in other parts of The Highland Council area, and indeed in parts of neighbouring Sutherland where there is concern due to a high proportion of second and holiday home ownership in comparison to Caithness<sup>25</sup>.

Table 19: House prices 2011

		Landward	Wick	Thurso	Highland	Scotland
Average	house	£128,369	£119,753	£113,117	£172,254	£186,649
price						
Median		£133,250	£110,500	£95,000	£152,000	£150,00
(midpoint)	house					
price						

Source: Communities Scotland/Registers of Scotland 2011, in Highland Council Ward Profiles 2012.

The tenure profile of Highland is 65.7% households live in owner-occupied housing (higher than the average for Scotland); 18% in local authority housing (lower than the average for Scotland); 8.5% in private rented (higher than Scotland) and only 3.6% in housing association housing (compared with 5.6% for Scotland).

The Highland Housing Register is a single housing list operated by the six main providers of affordable rented housing in the Highlands (Albyn Housing Society, Cairn, Lochaber, Lochalsh and Skye, and Pentland Housing Associations and The Highland Council). The Pentland Housing Association is based in Thurso. There are currently 2,917 social housing properties in Caithness<sup>26</sup>, 1,471 in East Caithness (including 530 in Wick) and 1,446 in West Caithness (including 1,121 in Thurso). A total of 285 people are on the housing list for allocation or transfer with East Caithness as their first choice and 334 are on the list in West Caithness. In both cases the majority of people are looking for 1 bedroom properties for which there is a shortage in Caithness.

<sup>&</sup>lt;sup>23</sup> The Highland Council Housing Strategy 2010-2015 http://www.highland.gov.uk/NR/rdonlyres/263379C8-978F-4CA0-A25B-D3DADFA6B9CF/0/highlandhousingstrategy20102015summary.pdf

<sup>&</sup>lt;sup>24</sup> Scottish Government Communities Analytical Services Division, 2008, cited in HIE, 2009

<sup>&</sup>lt;sup>25</sup> ibid, 2009

<sup>&</sup>lt;sup>26</sup>www.highland.gov.uk/livinghere/housing/findinghousing/commonhousingregister/housingprospects

In common with other rural areas, Highland has higher than Scottish levels of fuel poverty. In 2005-8, 21% of households were in fuel poverty compared with 17% for Scotland and 11% were in extreme fuel poverty, compared with 7% for Scotland. The 2010 ScotPHO Health & Wellbeing Profile for Highland continues to indicate that Highland's population experiencing extreme fuel poverty is statistically significantly 'worse' than the Scottish average. Pentland Energy Advice (PEA), formerly known as Caithness Energy Advice, is a Thurso-based organisation providing energy advice services to businesses, registered social landlords and individual households across the north of Scotland to increase energy efficiency and help reduce levels of fuel poverty.

Instances of fuel poverty are likely to correlate to incidences of poor health. Under SIMD 2012 data, there are five data zones within Caithness where the population is within the 15% most deprived in terms of health outcomes. All are within Wick town. Major causes of death are identified as being cancer, coronary heart disease and stroke. There is also high incidence of hospital admission due to alcohol addiction and smoking. Anecdotal evidence from children and young people during the Caithness Conversation suggested that misuse of alcohol was increasing, particularly amongst younger teenagers.

Wick has a claimant rate for Incapacity Benefit/Severe Disability Allowance of 4.6% (of the working age population), the 4th highest of the 22 Highland Council wards and above the Highland average of 3.2% and the Scottish average of 4%. The Landward Ward has a rate of 3.5%, also above the Highland average, while Thurso has a rate of 2.9%. Employment and Support Allowance rates are 5.4% in Thurso, 5.1% in Wick and 3.6% in Landward, against a Highland average of 3.6% and 4.1 across Scotland.

Table 20 shows the rate of self-reported long term illness in 2001 for Landward Caithness is similar to the Highland average and lower than that for Scotland as a whole (as is Highland overall). The rate for Thurso is the lowest of all three of the Caithness wards. Wick experiences higher rates of long term illness than Thurso, Landward Caithness and Highland overall (however it remains lower than Scotland as a whole).

Table 20: Long-term limiting illness by ward

rear = g miniming miniming					
Percentage of total population:	Landward	Thurso	Wick	Highland	Scotland
with a limiting long- term illness	18.3	17.3	19.6	18.4	20.3
without a limiting long- term illness	81.7	82.7	80.4	81.6	79.7

Source: Census 2001, in Highland Ward Profiles 2012 (www.highland.gov.uk)

-

<sup>&</sup>lt;sup>27</sup> Scottish House Conditions Survey, local authority report, 2005-2008 http://www.scotland.gov.uk/Topics/Statistics/SHCS/shcslar0508tables

<sup>&</sup>lt;sup>28</sup> ScotPHO - Health and Wellbeing rofiles 2010 - www.scotpho.org.uk/profiles

While the data above suggests pockets of significantly poor health in Wick particularly, Caithness does provide plenty of access to outdoor recreation and other recreational activity and facilities for the benefit of physical and mental health.

The main health care facilities in Caithness are provided through the North Highland Community Health Partnership (CHP) and include Thurso Health Centre (30 staff), Dunbar Hospital<sup>29</sup> (Thurso) and Caithness General Hospital (Wick). There are GP surgeries in Canisbay, Castletown, Dunbeath, Halkirk, Lybster, Thurso and Wick. There are also a number of care homes and day care centres, mostly located in Thurso and Wick.

The Caithness Health Improvement Forum formerly operated as a sub-group of the Caithness Partnership, and brought together statutory and community groups to share information around health improvement across Caithness. The community sector continues to contribute to the Caithness District Forum which convenes to discuss and review Children's and Adults Services.

### **Key issues**

Caithness house prices are significantly lower than in the Highlands and Scotland as a whole.

The majority of people on The Highland Council's housing list for allocation or transfer are looking for 1 bedroom properties.

Potential for increase in demand for both private and social housing if the Caithness economy can make successful transition post Dounreay decommissioning.

There are five data zones within Caithness where the population is within the 15% most deprived in terms of health outcomes. All are within Wick town.

Wick has the 4th highest claimant rate for Incapacity Benefit/Severe Disability Allowance of the 22 Highland Council wards and well above the Highland average and Scottish average.

There is an over-supply of social housing but not single-bedroom houses that are in greatest demand.

\_

 $<sup>^{\</sup>rm 29}$  the subject of a 3000 strong petition to keep the site open in 2011

# 10 Natural and Cultural Heritage

The landscape of Caithness is open, rolling farmland, moorland and scattered settlements. The level profile and lack of elevation was rendered still more striking by the almost total absence of forest until the latter part of the 20th Century, at which time large areas were planted with conifers.

The surrounding waters of the Pentland Firth and the North Sea provide for a huge variety of marine life. Harbour porpoises, five species of dolphin, and minke and long-finned pilot whales are regularly seen from the shore and boats. Both grey and common seals come close to the shore to feed, rest and raise their pups. In some locations, otters can be seen in and around the river estuaries.

Caithness is home to a large number of designated sites, including 65 Sites of Special Scientific Interest. It provides a stronghold for many once-common breeding species that have undergone serious decline elsewhere, including wading birds, water voles and flocks of over-wintering birds. The area's climate is characterised by mild winters, cool summers and generally persistent winds. The wetlands and lochs do not freeze for long spells, and this has been a factor in attracting large numbers of over-wintering wildfowl like greylag geese and waders such as dunlin and purple sandpiper.

To the north and east, layers of old red sandstone have been sculpted by ice and sea to produce some of the most dramatic coastal scenery in the UK. Internationally important colonies of breeding seabirds such as guillemots, razorbills, kittiwakes and fulmars have exploited the resulting ledges at locations such as the Stacks of Duncansby and cliffs at Dunnet and Holburn Head.

The interior of Caithness and Sutherland is dominated by open moorland and blanket bog known as the Flow Country. Extending across both Caithness and Sutherland, these are the most expansive blanket bogs in Europe and are internationally important in themselves (at 143,539 hectares or 1435 km², comprising around 4% of the World's resource of maritime, treeless blanket bogs) as well as providing a home to internationally important bird and plants species. They have been proposed by the UK Government as a World Heritage Site.

The central area between Wick and Thurso contains some of the finest farming land in the north. The best of the area's livestock is on display every summer at the various agricultural shows, the centrepiece being the County Show in July, alternating between venues in Wick and Scrabster.

The area's fantastic natural heritage supports an abundance of opportunity for outdoor pursuits and wildlife tourism, with sightseeing cruises available along the coast around Wick and in the John O'Groats area. There are opportunities for walking, cycling and adventure sports including surfing and scuba diving. Thurso has become a regular venue for international surf events. Salmon angling is available on several rivers, and there are

numerous lochs that attract dedicated trout anglers year-after-year. Additionally, some of the best sea-angling grounds off the British coastline are in Caithness waters.

Paths and access throughout Caithness are addressed in The Highland Council Core Path Plan prepared in 2010. Core Paths as a system are aimed at satisfying the basic access needs of local people and visitors, for recreation and for getting about, and at providing links to the wider path systems within the area. They are particularly important close to where people live and are likely to comprise a mixture of existing paths with some new paths linking together to form an overall paths network.

The Caithness Biodiversity Group is part of Highland Biodiversity Partnership that has a focus on understanding, safeguarding, restoring and celebrating biodiversity. The Caithness group has run an array of biodiversity improvement projects including modifying the cutting of roadside verges. It encourages the growth and seeding of wildflowers and the monitoring and reducing of invasive species, such as salmonberry, around Latheron, Castletown and Stirkoke. It is also working with farmers to try to restore Great Yellow Bumblebee populations through the planting of targeted pollen and nectar-bearing flowers.

From 2009-12 Caithness Partnership ran the Caithness Environmental Fund (CEF) with financial contributions from LEADER and Scottish Natural Heritage (SNH). CEF supported community organisations to enable them to develop projects that protected the natural environment and aimed to increase people's enjoyment and awareness of and sense of responsibility for local nature. Though no longer operating, CEF distributed £80,000 to 16 different initiatives across Caithness, which encouraged people across a range of ages to get involved in environmental activity that improved, protected and managed species and habitats. Projects included the building of bird boxes and the creation of a pond as well as path works and the construction of nature trails. The biodiversity group was supported to develop the Planting for the Future project which entailed the establishment of a therapeutic garden and plant nursery primarily for the benefit of people with learning difficulties and other vulnerable groups.

The natural resources of Caithness have not only been a means to increase the area's social assets through community engagement and volunteering. They also provide a vital economic asset for a number of sectors including tourism, food & drink, marine energy, renewables and for the flagstone industry. For the UHI Environmental Research Institute at North Highland College the natural resources are critical. There is always conflict and balance required in the exploitation of natural resources for economic purposes and this is an important issue for local people.

The distinctive natural heritage of Caithness is matched by its archaeological and cultural heritage; its landscape is rich with the remains of prehistoric occupation.

The earliest settlers have been traced back to Mesolithic times. Just after 4,000 BC, people started building chambered tombs, stone circles and round houses. Thereafter, for centuries the area was populated by mainly Pictish peoples known as Katanes, or 'headland of the Cats' – a reference to a Pictish tribe called the Kati, or Cat People.

However, the county's location and history connects it as much with Orkney and the Norse as with mainland Scotland. From around the 10th Century, Norse settlers landed in Caithness, and gradually established themselves around the coast. On the Latheron (south) side, they extended their settlements as far as Berriedale. The Vikings ruled for centuries; as a result numerous coastal castles (now mostly ruins) are Norse in their foundations and the majority of Caithness place-names are Norse in origin.

With its wide harbour facing the North Sea, in the 1800s Wick became famed as Europe's foremost herring-fishing port with over a thousand boats berthed there. Later that century came the rapid rise of quarrying as a major local industry, with hard-wearing sandstone being shipped from Caithness to pave the streets of cities across the globe.

Whilst Scrabster, Wick and Gills Bay continue today as the three most active harbours; playing an important part in the local economy for transport, fishing and employment, many of the smaller harbours are still used for recreation, small creel and fishing boats. Additionally these harbours have a long and rich history of being more active in their former years when they provided a significant contribution to Caithness' built heritage. The Lybster Harbour, for example, which at one time was an important site for the local herring industry, dates back to 1829.

A vast wealth of hidden archaeological treasures includes sites such as the Grey Cairns of Camster, the standing stones of Achavanich, the Broch and Aisled Dwellings at South Yarrows, the Hill o' Many Stanes, and over 100 brochs. In total there are over 1,200 sites of historic importance in Caithness and Sutherland, including 564 Scheduled Ancient Monuments, 649 Listed Buildings (of historic and architectural interest) and currently 6 Gardens and Designed Landscapes. The 2008 Caithness Redundant Buildings Inventory report, commissioned and published by the North Highlands Initiative (NHI), listed over 1000 redundant and derelict buildings across north Highland area some of which NHI believes can contribute to the area's regeneration.

Some of these sites can be seen from almost any vantage point throughout the county, while it is easy to take a closer look at others as there are little, if any, access restrictions or charges that can be found in other parts of the country. There are also several notable visitor centres exhibiting and interpreting this rich heritage. Some of these are listed in Appendix D, though many are still relatively undeveloped in tourism terms.

#### **Key issues**

The area's rich natural, built and cultural heritage offers a significant resource for attracting people to live, work and visit Caithness. This has been an important economic asset for many years.

Many of the historic and natural resources of Caithness are relatively unknown and unexploited in tourism terms.

# 11 Caithness Profile summary

Key points from this research, which may inform considerations for future community benefit funding arrangements within Caithness, are:

- There is a strong record of partnership working in Caithness and agencies have developed strategies and ways of working together that identify and address the challenges facing the area.
- Caithness has a well developed voluntary sector which has shown the capacity to take forward major projects.
- Caithness has arrested a decline in overall population levels and is projected to grow, but at a lower rate than most of the Highland area.
- Although the overall Caithness population is growing, the main towns of Thurso and Wick are seeing population decline.
- Almost 30% of the Caithness population is projected to be aged 65 or over by 2035.
- An older and ageing population structure potentially makes the area's economy fragile and puts a strain on public services / resources.
- Deprivation is an issue which affects parts of Caithness. It is most evident in Wick, where parts of the town are within the 5% and 15% most deprived areas in Scotland. Ten of the 37 Caithness data zones are within the 15% most deprived in The Highland Council area.
- The reliance of the area's economy is on Dounreay which is in the process of decommissioning (due for completion by 2023).
- There is a need for diversification, with some promising opportunities (and recent growth) focused on the tourism, food & drink and renewables sectors, amongst others.
- A key success factor will be the retention of skilled labour currently associated with Dounreav.
- New business starts and existing businesses looking to expand have clear routes to support.
- Wick has the second highest unemployment rate in Highland and the highest rate of youth unemployment, long term unemployment and youth long term unemployment in Highland. All unemployment measures in Thurso are above the Highland average as are the figures for Landward Caithness; other than the basic unemployment rate.
- Thurso experiences more employment and income deprivation than Highland averages, but Wick has a significant level of income deprivation in comparison to the rest of Caithness, Highland and Scotland as a whole.
- Household incomes in Wick are the second lowest in Highland.
- In Caithness itself there are 10,900 people in employment, excluding self employment. Dounreay employs just over 800 staff and a similar number work in its supply chain. Not all Dounreay employees live in Caithness, but the impact on employment in the town could be severe once decommissioning is completed.

- In Wick the percentage of school leavers that go straight into both employment and unemployment (but seeking work or training) is well above average, as is the percentages that go into unemployment without seeking work or training.
- Figures from the 2001 Census suggest that qualification levels in Caithness have been below average.
- There are lower than average Scotland levels of staying in school until 6th year and of attainment amongst school pupils at Higher Grade.
- Thurso's rate for progression into Higher Education in 2009/10 was double that of Wick and above the Highland or Scottish averages.
- Developments at North Highland College UHI provide new opportunities to learn skills directly connected to key growth sectors in Caithness.
- Transport to Caithness is time consuming and expensive, but some routes are improving.
- Issues exist around transport and access to services and opportunities, from sport and leisure to health services, education, work and social activities. These are particularly prevalent in the Landward Ward for those dependent on public transport, particularly including younger and older people.
- There are five data zones within Caithness where the population is within the 15% most deprived in terms of health outcomes. All are within Wick town.
- Wick has the 4th highest claimant rate for Incapacity Benefit/Severe Disability Allowance of the 22 Council Wards and considerably higher than the Highland average and Scottish average.
- Caithness house prices are significantly lower than in the Highlands and Scotland as a whole.
- The majority of people on The Highland Council's housing list for allocation or transfer are looking for one bedroom properties.
- The area's rich natural and cultural heritage offers a significant resource for attracting people to live, work and visit Caithness.
- The natural resources of Caithness have been an important economic asset for many years and can continue to be.
- Many of the historic and natural resources of Caithness are relatively unknown and unexploited in tourism terms.

### **SECTION 3 – THE CAITHNESS CONVERSATION**

# 1 Who participated in the Caithness Conversation?

Who participated in the Caithness Conversation and what communities of geographical location and/or interest did they represent and reflect?

Final cross referencing of data indicates that 320 people contributed to the Caithness Conversation. Participant profiles however were only recorded for 259. The figures therefore in these sections reflect the recorded profiles although some of the quotes are taken from other contributors.

Table 21 below notes the home areas of 259 of the respondents and suggests there was engagement form across all 12 community council areas in the Caithness Conversation. This shows that it did reach across the whole county though some of the rural communities had a low response rate, the lowest being Berriedale & Dunbeath, Bower and Sinclair's Bay. Unsurprisingly there was a majority of participants from Thurso and Wick. However on a final cross referencing against field notes the total number of people who contributed was 320.

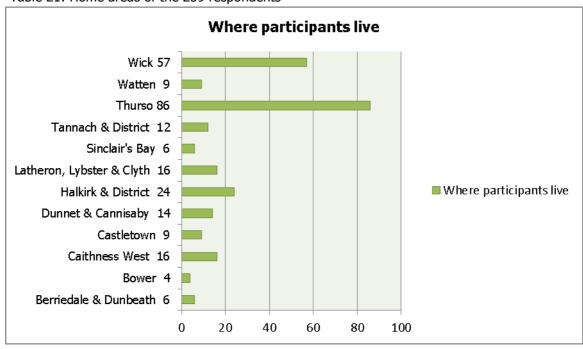


Table 21: Home areas of the 259 respondents

Interestingly, the geographical spread is a relatively proportionate representation of population spread as indicated in the table people. This provides some level of reassurance that despite the anticipated and actual high numbers of participants from Wick and Thurso, the rural communities were sufficiently represented given their combined population.

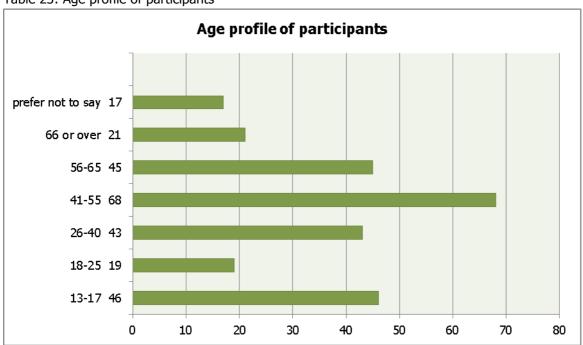
Table 22: Proportionate representation of Caithness Conversation participants compared to population figure

	Wick	Thurs	Landward	Total
Population	7218	6587	11355	25160
Percentage of whole	29%	26%	45%	100%
population				
Nos. recorded	57	86	116	259
participating in the				
Caithness				
Conversation				
Percentage of	22%	33%	45%	100%
recorded participants				

Participants were relatively evenly spread across genders – 48% were men and 52% women. Over 90% of participants have lived in Caithness for over 10 years and 58% of these had lived in Caithness all their lives.

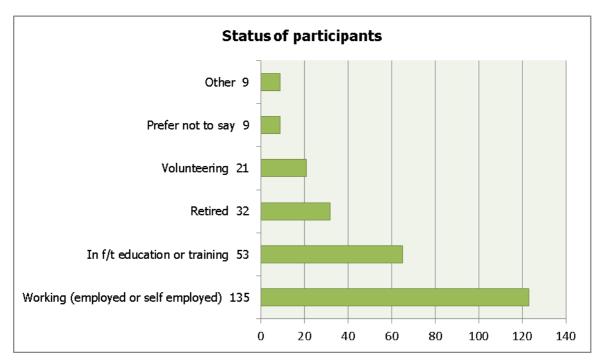
The age profile, as displayed in Table 23 below, showed the majority of participants to be aged 41-55 years and in the working age population. There was a similar number in the preceding and succeeding age groups – 43 were aged 26-40 years and 45 aged 56-65 years. The numbers of young people were somewhat disproportionate given that one of the sessions was facilitated within the school timetable. Although the young people were not there in a voluntary capacity, they engaged positively with the session and their comments are integrated in the content of this report.

Table 23: Age profile of participants



Since the majority of participants and respondents either contributed as individuals or as members of community organisations, the status of participants suggests that the working population aged 41-55 are actively engaged and involved with community life. It should be noted however that these categories are somewhat artificial as some respondents stated that they had responsibilities across a number of the given categories.

Table 24: Status of participants



As noted in Table 25 respondents reflected, or formally represented, a wide range of organisations, groups and interests.

Table 25: The range of organisations, groups and sectors represented in the Caithness Conversation

Sample of organisations or groups	Sample of sectors or interests represented
The Association of Caithness Community Councils	Higher & secondary education
Various individual community councils including	Small businesses
Halkirk District, Tannach & District, Watten, Latheron	Tourism
Lybster & Clyth, Dunnet & Canisbay and Thurso.	Farming
Caithness Chamber of Commerce and its wider	Heritage & archaeology
business membership	Volunteering
North Highland Initiative	Sport and recreation
The Highland Council	Biodiversity
High Life Highland	Heritage including vernacular buildings
Caithness Youth Forum	Affordable housing
North Highland College	Community services & facilities eg: transport and halls
Wick & Thurso High Schools	Interests/concerns of elderly people
Wick Youth Club	Interests/concerns of younger people
Uniformed youth organisations	
Highlands and Islands Enterprise	
Caithness & North Sutherland Regeneration	
Partnership	
Caithness & North Sutherland Fund	
Dounreay Stakeholder Group	
Caithness Voluntary Group	
Caithness Young Farmers	

Sample of organisations or groups	Sample of sectors or interests represented
Ormlie Community Association, Caithness Horizons,	
Pentland Housing Association, Pulteneytown People's	
Project, Latheron Lybster & Clyth Community	
Development Company, Dunnet Forestry Trust,	
Caithness Field Club, Caithness Sports Council, local	
harbour associations, DATEC	

A summary of participant involvement in the Caithness Conversation methods is at Appendix D.

# 2 What was the methodology?

The research team drew up a plan to identify stakeholders, identify methods of gathering data, research available data, promote the Caithness Conversation and then implement.

A **stakeholder analysis exercise** identified a range of individuals and organisations from across the public, private and community sectors that could potentially be involved in the Caithness Conversation. Priority groups included:

- Community councils already involved with an RWE NRL fund;
- Other community councils particularly those in receipt of community funds from other developers or those yet to be in receipt of any funds;
- Community organisations, charities and social enterprises that provide services and/or represent groups in specific communities or across the wider Caithness region;
- Public sector agencies linked to the Dounreay decommissioning as well as health and education services;
- The SME business sector via the Caithness Chamber of Commerce.

During an initial scoping, this list of priority groups was discussed with various lead stakeholders including Caithness Renewables Ltd, CNSRP, Caithness Chamber of Commerce and CVG; all of whom became key support partners during the Caithness Conversation process.

The **specific methods** were then clarified. These are described in Table 26 below:

Table 26: Caithness Conversation methods

What	Target	Distribution/Accessibility		
Survey Monkey	Caithness wide	Press release to introduce the		
		Caithness Conversation		
		Targeted email to stakeholder list for		
		distribution via their networks		
Hard copy survey	Caithness wide	Locally via community councils and		
		other emerging contacts		
Individual discussions	Cross sector representation	Advised by strategy links		
		Direct access via phone/email		
Discussion groups	Thematically or	Arranged via local organisations		
	geographically similar			
Caithness Cafés	Caithness wide	Press release, local publicity		
	Cross sector	Promoted by HC, CR, CC etc.		

The survey was based around some critical questions that were designed in such a way that the responses would provide a greater understanding of people's views about community funds and how they would be best applied and administered within Caithness:

- What should community benefit funding support/where is investment needed?
- How relevant are these investment 'themes' to local communities and/or more widely across Caithness?
- Who should be eligible to receive community benefit funding?
- Is it important where community benefit funds are spent?
- How should community benefit funds be made available?
- How should community benefit be administered in Caithness?

A copy of the survey is attached at Appendix E.

The discussion and interview questions asked some additional questions to those outlined above. They invited participants to reflect on **what is working well in Caithness** and **what needs to improve?** Additionally they provoked discussion about what people in Caithness want to improve and develop in both their immediate communities and across the county as a whole in the future.

# 3 What's working well and what needs to improve?

Participants in the Caithness Conversation conveyed a very positive attitude towards living and working in Caithness. However, while there is a deep concern and anxiety about the social and economic impact of Dounreay's gradual closure it is mixed with levels of optimism and positive caution about the potential to seize any diversification opportunities presented.

The following is a summary of compiled responses to this question shared during the group and individual discussions and at the two Caithness Cafés. Statements have been grouped according to common themes or issues.

Respondents said they appreciate the **proximity to nature** and the natural environment, and generally feeling safe in their communities. They felt the majority of residents experienced a **good quality of life** but acknowledged that there were **disparities in income and opportunity** across Caithness. They described themselves as broadly **well educated, highly skilled and with a good work ethic**. The population is **resilient,** adaptable and energetic and there is a lot of **community-led action** and activity happening across a relatively small population. There are **many local events** which network people across communities and boost a sense of **community pride**. People are **generous** and readily support local fundraising efforts. This indicates a **strong community spirit** which also contributes to a vibrant voluntary sector that is well supported across different age groups. These sentiments were expressed across the generations.

But respondents also expressed anxiety about the **impact of the closure of Dounreay** and resulting **stress and strain on employment and livelihoods**, with former employees now seeking work out with Caithness rather than being retained within the county.

There was concern about perceived **limited facilities and infrastructure** – particularly in the rural areas - that inhibited or affected people's quality of life including for example a **public transport system that was unreliable, limited and expensive**. Although it was acknowledged by some that 'it is always difficult to retain people and services in rural services due to the number of folk' many expressed a view that basic facilities and services in rural areas is nevertheless vital irrespective of population and 'community benefit should mean exactly this.' For example, a common sentiment was the risk to pedestrians/cyclists/horse riders in the rural areas and which could be partly addressed by improving access/paths/pavements.

Concern was also expressed about limited **education and recreational opportunities** that particularly curtailed young people's development and potential, a view endorsed by young people themselves.

#### **Community well being**

- Communities are long established and 'close-knit'. People talked of a strong sense of
  connectedness and community and a community spirit that is 'resilient, resourceful
  and generous'. The people are 'enthusiastic, friendly and outgoing... welcoming and
  willing to try and improve things'.
- Generally people enjoy a good quality of life and well being. It is a healthy
  environment for families with a very low crime rate. People feel safe
- The labour force was described as 'well educated', adaptable, versatile and highly skilled' and with a 'good work ethic'
- Young people are motivated and skilled.
- There is a low-crime rate.

**BUT** 

- Some felt a sense that communities were changing and that communities were not always supportive of each other. At other times the community is too 'close-knit'.
- There are sometimes unhelpful, prejudicial attitudes. *We're too limited in our view even of Caithness.'*
- Dounreay decommissioning is creating a more transient population people are undertaking more short term contract work which would appear to be discouraging families from moving into the area on a permanent basis. Older people are seeing their families move away for work and not returning. Many people are moving to Caithness from outwith the area to do jobs and deliver services. Equally, many residents work elsewhere and return only at weekends or less frequently therefore not spending money locally. There was anxiety expressed that Caithness is becoming a dormitory county and that a decreasing population will not be able to sustain services whether provided by The Highland Council or the community.
- Young people are moving away and not returning. Young people need more positive role modes and assurance of employment in the area to seed their ambitions.
- Young people commented that in some areas there are 'high incidences of young people abusing alcohol.'

#### **Basic services**

- People recognise the challenge of providing services to small rural populations. They
  value the formal education, basic health and transport services provided.
- Generally people felt there is good internet & broadband connectivity in the towns and surrounds (but not more rurally).
   BUT
- There was a common view that more investment was required across most basic services (education, health, transport) to ensure that more people had improved access to health facilities and transport and that education provision was enhanced through the development of a broader curriculum.
- School facilities need to be enhanced and refreshed.

- Many health services are Inverness-based which is costly and involves a time consuming and often very challenging journey for local people, particularly those who may already be particularly vulnerable.
- Fuel costs are prohibitive and public transport needs to be improved throughout Caithness particularly in rural areas. Transport is infrequent, not disability friendly and does not operate out-of-hours. It was suggested that over a third of the population are not car owners.
- There is a lack of affordable housing particularly outside Wick and Thurso.
- Some people within the region are vulnerable and need more support because of their domestic or personal circumstances.
- Rural broadband is particularly poor. This has implications for those working from home. `We have difficulties in our business with broadband speeds.'

#### **Facilities**

- Discussion groups reflected a view that village halls are generally well run and significant assets to the communities that use them. They are often regarded as the core of the community and are well used and highly valued. They are often busy, hosting many local events which network people across communities and boost a sense of community. Some of these events are important community milestones each year therefore having a reliable community space relates to the importance of maintaining social and cultural traditions. Getting communities to unite through the good use of the community hall (Berriedale and Keiss). Halls well used, natural focus for community members as a means through which they stay in touch with each other.
- The new cinema in Thurso was regularly mentioned: `...now we can see films we want to see...'
   BUT
- Respondents suggested that good quality sports and recreational facilities are limited and located in Wick or Thurso (not easy to access for those without their own transport). 'If you want to take a sport seriously the clubs aren't here – the opportunities are not here'.
- Some local halls are in need of upgrade, repair and could improve their energy efficiency.
- There was a sense that relative distances mean that Caithness people do 'lose out' when it comes to participating in national activities taking place elsewhere in Scotland or the UK. Given Caithness' fairly limited facilities, groups and clubs regularly 'punch above their weight' in regional and national sporting events. The suggestion that funds should support individuals and groups to enable them to benefit from national opportunities was referenced a number of times.

#### The core/social economy

Caithness celebrates a vibrant voluntary sector well supported by local people. This
is an energetic community with a lot happening across a relatively small population.
Many clubs and activities provide an abundance of opportunities for people to come
together around common, shared interests and concerns and supporting specific
groups eg: uniformed organisations for children and young people, DATEC, many

sports clubs, art and drama groups such as the old Mill Theatre, outdoor clubs and activities, many children's and young farmers clubs.

BUT

- Others felt that there were insufficient formal activities for elderly and younger people in some areas of the county, a lack of awareness of what is already going on and a sense that the older members of the community were overly relied-on to sustain groups and community-led services.
- In some parts of Caithness it was expressed (by young people predominantly) that some of their peers were 'falling into bad ways'.
- People's energy and capacity is not limitless there need to be opportunities to grow and develop more local leadership and capacity.

#### The local economy

- People have valued the economic stability provided through Dounreay but recognise
  that the economy is now in transition. The development of the ETEC apprenticeship
  programme was highlighted as a good initiative to develop young people's skills in
  preparation for more renewables-related career opportunities that may be available
  locally in the future.
- Young people appreciated some of the new shops that have started to appear in Wick and Thurso. The ice cream now available at John O'Groats was frequently mentioned.

**BUT** 

- Unemployment is increasing due to the decommissioning of Dounreay, decline in agriculture and loss of public sector jobs. People are leaving to find work elsewhere

   lots of migration to the oil/gas industries.
- There is a perception by others external to Caithness that Caithness has insufficient skills and expertise.
- Competitiveness is limited, making it difficult for local businesses to thrive.
- There was felt to be limited opportunities for apprenticeships & student placements.
- More training opportunities need to be made available for young people leaving school at 16 or 18 who may not be destined for further education.
- Improving tourism provision was regarded as an obvious way to (re)build the local economy and both create and sustain employment. However it was acknowledged that this required investment and resources from the public, private and community sectors.

#### The natural environment

- Discussion groups affirmed that Caithness was abundant in natural resources. The
  countryside was appreciated and valued by local people of all ages. Both younger
  and older participants regularly mentioned the value they placed on the scenic
  beauty of Caithness.
- Young people highlighted the opportunities provided by the natural environment: 'kayaking, horse riding, fishing at St John's Point, Mey, good places to go for walks.'
- Participants conveyed a strong sense of heritage running through the communities and the landscape.

**BUT** 

- The natural environment is not promoted sufficiently to the tourist market.
- Caithness has always been the bus stop to Orkney.[and therefore not a place visitors have wished to spend time in.]
- Too much of the coastline is inaccessible.
- Biodiversity across Caithness is in decline and requires urgent investment.

### 4 What do you want to see in Caithness 10 years from now?

Participants in the Caithness Conversation wanted to see Caithness become a more cohesive, connected county; celebrating a diverse social and local economy that could provide stable and sustainable employment to a growing population.

The discussion groups and café events provoked participants to consider what they wanted to see in Caithness in 10 years time. Captured below are the main elements that were identified when the responses were grouped together:

A **thriving**, **diverse economy** that is attractive to young people and provides them with the opportunity to live and develop here. Caithness has become a hub for marine renewables projects, like Aberdeen has been for oil/gas, and both social and local economy has managed the transition from high dependency on a single employer. Key infrastructure projects such as the development of Wick and Scrabster harbours and Wick Airport have brought tangible benefits to Caithness businesses and communities. Services include those for specific groups (for example activities for young people, the elderly and other groups), or sectors (for example, arts, sports, heritage and other leisure & cultural opportunities) as well as both strategic and operational activity across a range of community organisations (for example, buying land, buildings or other assets to running costs including staff or volunteer costs) affordable housing.

**Money being retained in** the local economy rather than being spent out of the area.

Business is thriving and propelling innovative **job creation & stable, sustainable employment** across the county. Abundant, attractive, café-style town centres.

Good access to quality, modern services, communications and facilities for all residents both in rural villages and in towns.

**Biodiversity being restored** through a network of projects that are 'revitalising farmland, re-establishing vibrant landscapes, increasing land-based employment, encouraging greater community understanding and involvement with nature for the health and well-being of all, procuring income from tourism and leaving a lasting legacy for future generations'. (Ref: J Smith, the Scottish Government's 2020 Biodiversity Challenge – A Caithness Initiative)

**Better transport links** – improved and well used public transport links within county and externally.

**Good road safety culture** – well maintained and roads used with care.

**More families** living and working in Caithness resulting in population growth.

**Lots more joined-up working across communities, agencies and businesses for a better year-round tourism experience.** Through this, the presentation of Caithness to the world is improved and Caithness has a recognised brand and identity to the outsider. A single web portal draws people to what Caithness offers for tourists. Niche tourism markets are thriving – for example, with stargazers, surfers and archeologists. Prominent signage and a good path network open access to the county including a coastal path. Promotion of and signage to Caithness archaeological treasures. Opportunities for eco-tourism have developed.

**Improved recreational, arts and leisure facilities & opportunities** serving the whole population. Improved in/outdoor sports facilities serving Caithness would enable the area to gain a reputation as a provider of high quality water sports opportunities. This would also include improved indoor sports facilities which will attract families. Caithness has facilities able to host large scale events.

**Villages are well served** with a hall, pavements, street lighting, petrol stations and the basic services and amenities required by that community. Some villages are utilising their assets for income generation – for example, halls also operating as cafés for residents and visitors. Communities have resources and capacity to invest in assets that they can control.

There is **more interaction, connection and cooperative working between different generations** and also between communities. This is facilitated by improved infrastructure and through doing things together and sharing ideas and projects.

A greater range of **education and training opportunities** are available in Caithness for young people and adults keen to develop employability skills for a more diverse market. This includes an enhanced secondary curriculum, improved access to higher education opportunities within Caithness and teachers for specific specialist subjects. A Caithness Educational Trust has transparent procedures established and is supporting development of Caithness' young people.

A **dynamic political & funding environment** with more women and younger people in politics, more localised decision making, different arrangements in place for distribution of funding and compliance and accountability. There is an active professional unit managing and coordinating local funds.

#### Notes from the field 1:

Thurso High School session re: what do you want to see in 10 years time...?

- Caithness is more appealing in terms of employment
- Wider representation of young people
- Big sports centre gymnastics facilities, dance, better swim pool
- More up-to-date high school
- A high level of jobs created by more shops, more youth workers, more teachers for a wider range of subjects, staff and cleaners to maintain a new leisure centre
- More shops would create jobs and boost the local economy

- A surfing club
- More after school clubs and more clubs and activities for young people
- Not to be too full of houses or wind farms
- Transport better bus timetable for smaller villages
- Cleaner streets

#### Notes from the field 2:

Wick High School session re: what do you want to see in 10 years time...

- Sport facilities badminton courts, tennis, running and athletics track, warmer swimming pools, equestrian areas, squash courts, hockey, cross country sites, golf course., more rugby and football pitches – renovate the football pitches. A sports centre where you can train for Olympic standard including trampolining, diving and quad biking. Well equipped including floodlights – better hurdles for athletics
- An ice skating centre
- More play parks and clubs
- More annual events
- A bookshop bigger library
- More public toilets
- A football team in my community
- Lower age restrictions in the gym
- Shops retail more clothes shops need a town centre with more shops
- University of Wick
- A Spar and post office in Reiss
- A cinema in Wick
- A more diverse curriculum more modern languages
- A reliable and good bus service
- More lollipop women/men in the towns
- More traffic lights
- Street lights in the more rural places so people in the dark can see cars
- Speed limit in Dunbeath
- Build and repair the schools
- Places for teenagers and smaller kids
- More job part-time/holiday/weekend opportunities
- All villages with shops , parks and football grounds
- Music shops and music schools
- More places to eat out cafés and restaurants
- Repair the old buildings instead of building new ones
- Caithness Council instead of The Highland Council

# 5 So what should future community benefit funds support?

Investing in sustainable employment opportunities and in the social infrastructure of communities was seen as interdependent and equally important. Enhancing tourism opportunities and supporting the capacity of local groups and community-led enterprise emerged as a cross cutting theme.

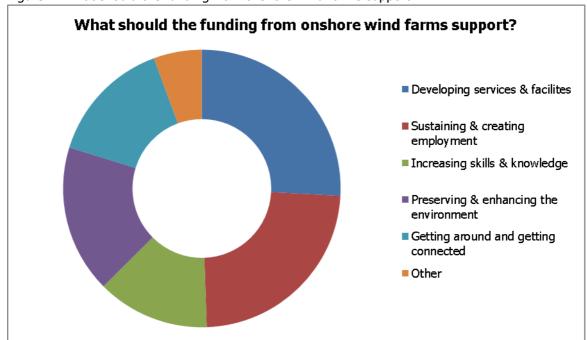


Figure 4: What should the funding from onshore wind farms support?

This question was posed in both the survey and the discussions. Figure 4 quantifies the results from the survey & discussions. However the narrative in this section draws both on the supplementary qualitative information provided in the survey & questionnaire by some respondents and contributions from the various discussion forums.

There was significant support for developing services, facilities and activities to improve and enhance Caithness as a place to live work and visit. This includes activities for young people, the elderly or other groups, running costs for community organisations, investing in affordable housing, buildings or other community assets, and improving arts, sports, heritage and other leisure & cultural opportunities. There was a comparative level of support for investing in sustainable employment by supporting small & medium sized businesses, apprenticeships, community enterprise. The balance and interdependency between both social and economic capital was well expressed by one contributor:

'At a time when we are focused on regenerating the area for alternative employment away from Dounreay it is equally important (but more difficult) to identify funding for social type activities which needs to be part of the selling point which persuades people to remain in Caithness and others to move in.'

Some respondents did want to see direct compensation for householders who felt their homes may have been devalued as a result of onshore wind farms being built. Others wanted subsidised electricity or home energy efficiency measures for those living closest to the onshore wind farm sites or even 'for all that can see them.' Such comments though were in the minority.

The discussion groups highlighted the following as focus areas for support/investment from community funds:

- They provide support for community groups seeking to develop their own skills and capacity.
- They mobilise and support social enterprise development.
- They have a focus on tourism by making it more integrated and joined up, developing a Caithness brand and ensuring that existing assets are better promoted through new signage/interpretation panels (panel at Sandside Bay, Reay is destroyed).
- They help catalyse an increase in sustainable employment and build people's education and skills.
- They contribute to more affordable housing being available in Caithness.

# 6 How relevant are these themes a) to your community and b) more widely across Caithness?

The thematic areas suggested in the questionnaire were regarded as relevant both to local, individual communities and to the wider Caithness area by the majority of participants.

These two questions explored the extent to which the themes identified in the previous question were relevant to individual communities and/or across the Caithness area as a whole. Again the questions were asked in both the online and hard copy survey and then also in the discussions.

Whilst tension between investing either in the two town centres or in rural communities was a common thread through the Caithness Conversation, 93% of the survey respondents acknowledged that the local issues were felt Caithness-wide, suggesting that many communities are struggling with similar issues and share a common vision for improving Caithness.

- 'I believe that these issues relate to everyone living in Caithness'.
- 'Caithness is a relatively small area with common needs.'
- 'People travel to clubs/organisations within the county rather than just within a structured pre-defined area. Many interact with multiple community groups/areas.'
- 'The issues our county is struggling with are across the whole area not just in a small defined area....all areas have similar issues...the whole of Caithness should be regarded as a fragile area...'
- 'The whole of Caithness is affected by the closure of Dounreay.... The money from the wind farms is a great opportunity for everyone in Caithness.'
- 'Even in the towns of Thurso and Wick and the more populated rural areas there is little or no access to services, not enough financial support/incentives for small to medium businesses ...and an employment environment that is becoming apathetic.'
- 'I live in Wick but the issues relate to everyone living in Caithness.'
- 'Caithness is small enough that all areas benefit from any benefit to Caithness but villages may need extra support.'

Comments such as these reflect a common thread that also ran through the discussions: namely that providing a Caithness-wide element to future community benefit packages would be a sensible way of addressing some of the strategic issues affecting communities across Caithness.

Figure 5: Are the themes relevant to where you live in Caithness?

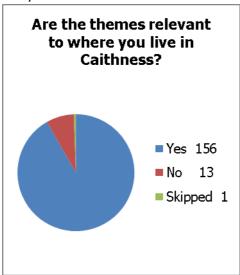
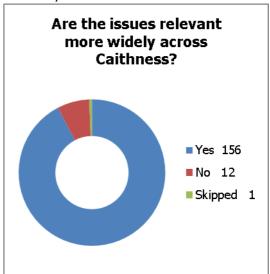


Figure 6: Are the issues relevant more widely across Caithness?



Respondents used this part of the questionnaire to highlight specific issues or projects, local and county wide, which funding could support. For ease of reference they have been arranged under the earlier thematic headings.

#### **Developing services and facilities**

- 'Invest in the NHS First responder scheme and purchase automatic defibrillators for strategic points around the county...in such rural areas ambulances are often more than 45 minutes away.'
- 'Care for the elderly. More funding required to staff care homes and provide places and quality care.'
- 'Provide more general support for local community group small sums of money used wisely can support fragile communities and release unused potential.'
- 'There are no affordable houses for young people in Watten'
- 'Improve rural services.'
- 'Improve and upgrade community halls across Caithness'
- 'A continuous problem for local sports clubs is the cost of travel to events out with Caithness.'
- 'I think sporting facilities specifically aimed at supporting disabled people to do more sport would be very worthwhile.'
- 'We need to invest in the children...our play areas are in a state of disrepair.'
- 'I have 3 teenage children that would benefit from a purpose built sports centre....'
- 'We have huge natural assets here in Thurso with waves and the surfing/water sports available but no facilities to support these activities...'
- 'A multi-purpose community sports centre with accommodation for students and off season holiday lets.'
- 'Improve recreational and leisure facilities eg: surfing club'

- 'Wick Harmsworth Park requires improvement. The ground needs leveled and drained properly. Under-soil heating added at the same time would be a further boon, and additional floodlights would be the icing on the cake.'
- 'Thurso needs a large hall with a stage, probably incorporated into a new community centre.'

#### **Sustaining & creating employment**

- 'Castletown offers little or no support for small business growth and community development...'
- 'Provide local apprentices'
- 'Promote the county as a tourist destination particularly eco-tourism.'
- 'Tourism needs to be developed and supported if it is to become a viable option for ongoing employment in Caithness.'
- 'Employment opportunities through the development of sustainable businesses and community projects would enhance the area...'
- 'We need a healthy & robust cross section of SMEs providing good long term employment for local people this is fundamental to a future for Caithness.'
- 'Small businesses miss out on financial assistance HIE prefer to invest large amounts of capital into businesses...'
- 'Many young people in Halkirk are desperate to find better employment opportunities and would benefit greatly from being able to access funding for training.'
- 'Key priorities have to be to develop the skills of the young people in the area and create employment opportunities for them.'

#### **Increasing skills & knowledge**

- 'We need to upskill the current workforce and train young people to accommodate the incoming renewable sector.'
- 'We need to develop skills and catch the renewable energy opportunities for the region and ensure local companies can secure work.'
- 'We need opportunities for young people to gain work experience...'
- 'Skills development.... particularly for young people looking for apprenticeships.'
- 'Courses and learning need to be available at all access and learning stages'
- 'There are too few opportunities for arts/culture in the region...'
- 'Educational bursaries would allow more young people to go and study... work placements though require funding...'
- Educating the individuals is vital ... the better the education and education opportunities, the better businesses will run later on'.

In discussions, participants referred to the need to invest in education and skills development to help ensure Caithness could capitalize on new economic opportunities provided through marine renewables and other sectors. Younger participants appealed for 'more teachers and a wider range of subjects'.

Both North Highland College stakeholders and members of the Caithness Chamber of Commerce endorsed some form of Educational Development Trust be set up to facilitate

'collective agreement' on how funds could best be used to contribute to the broad area of skills development.

#### **Preserving & enhancing the environment**

- 'I would like to see more footpaths on the Wick River and perhaps all the way to Watten'
- 'Improve access to the countryside for all users...'
- 'Improve walkways around the coast and rivers and reservoirs'
- 'There should be more places where you can cycle and go for nature walks...'
- 'A walk from Wick to John O'Groats similar to the West Highland Way...or an archeological trail taking in Yarrows and Camster...'
- 'An information centre with artifacts from the prehistoric sites of Caithness eg: Viking centre '
- 'Thurso has a very vibrant and important historical background and should be developed for the tourism market...'
- Wick is the jewel in the crown of the Highlands...it just needs polishing...'
- 'A single web portal should be used to 'hook' people and then other websites can spin out from that'
- 'Hill of Many Stanes' needs a coach turning area. At present coaches park at the hall so few visitors brave the uphill walk to the site.'
- 'Biodiversity off-setting eg: mutli-year support for the Caithness Wetlands & Wildlife Initiative.'
- 'A coastal path to improve access by foot or bicycle.'
- 'Improve access to the coastline for example, the rough road off the Thurso-Castletown road near Biggins is unsuitable for cars – a car park on the A36 would give access to the hidden asset that is Murkle beach.'

Investing in practical projects to improve Caithness as a tourist destination was frequently mentioned both in the surveys and in discussions. Developing tourism emerged as a significant cross-cutting theme since investment could enhance employment alongside improving services and facilities.

Respondents frequently suggested that tourism could be better developed by capitalising on Caithness' rich archaeological heritage and sensitive development of the natural landscape for more outdoor activities. Enhancing the Caithness Broch project is a relevant example of the 'heritage tourism' that respondents sometimes referred to. This particular example would rebuild a broch and 'breath life into the local landscape and provide people with an insight into how our Iron Age ancestors lived - there is potential for turning the broch into a "working, living" broch, in the style of the Crannog Centre at Loch Tay, with re-enactments to help paint a picture of Iron Age life. As well as promoting our archaeological and historical uniqueness, this project has more potential in preserving drystone dyking.' Some simple practical ideas were also mentioned such as improved signage and interpretation boards that would 'let people know what to look out for'.

#### **Getting around and getting connected**

- 'Availability of public transport (particularly in the morning) down to Inverness limits my work & makes it necessary to use a car which is less environmentally friendly...'
- 'Poor transport infrastructure and broadband services are also hindering community sustainability.'
- 'Local transport lack of it.'
- 'Terrible transport links south and locally.'
- 'Buses are underused issue additional passes rather than reduce services.'
- 'Rural broadband needs urgent upgrading.'
- 'Cell phone reception in our area is very poor.'

There were a small number of comments that responded more generally by making a call to 'leave a legacy for future generations' and 'ensure the money is wisely spent':

'I don't want to see small localised projects but a few major projects with a long lasting impact for Caithness as a whole in terms of profile/tourism enhancement and employment.'

# 7 Who should be eligible to receive community benefit funding?

There was a majority view amongst participants that community organisations should be the primary beneficiaries of the community funds but not exclusively so.

There were mixed questionnaire responses to this but the majority indicated that community groups, charities and social enterprises should be the priority recipients of funds. There was acknowledgement though that businesses had a significant role to play in developing Caithness. There was caution about funding individuals - other than in the context of educational bursaries or a dedicated fund or competition for entrepreneurs with a 'winning business idea' - and some concern raised about scrutinising support to businesses to ensure grants were not provided for personal gain.

However the eligibility question revealed some strong views that funds should be invested in developing business growth.

'The funds should also be prioritised...given to kick start new business ventures that demonstrate good long term growth prospects...to support any group or project that will create jobs and/or to support businesses for training and apprenticeships.'

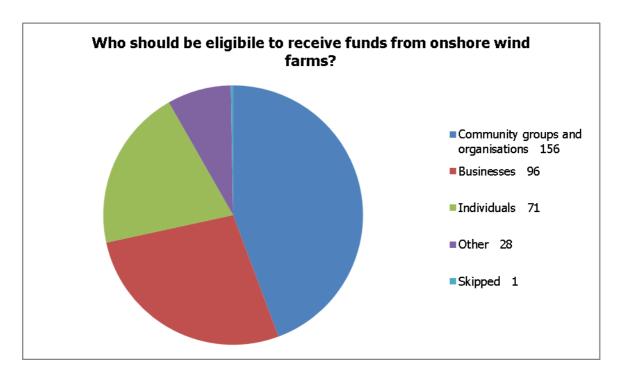
Some felt eligibility should be looser and responsive to 'anyone who has a great idea that will benefit Caithness' and 'whichever group can demonstrate the greatest impact and potential to enhance the future of the county'.

Echoing this view others suggested that eligibility should be based on what a group or organisation is planning to achieve or the impact the project will have rather than a specific 'type' of organisation:

- 'Funding should go towards any group that can demonstrate the greatest impact and potential to enhance the future of the county.'
- 'Sometimes these funds have quite a narrow remit and aren't easy to access, maybe a fund with slightly more open criteria would be a good idea.'
- 'Open to anyone who has a great idea that will benefit Caithness and enable it to thrive.'

Across the discussion groups, the response to who should qualify was mixed. Some suggested these funds are a unique 'wind fall' for the community and voluntary sector. It was suggested they could stimulate skills development of community members to invest in local community enterprise and development while others felt that support to business was an important aspect of improving the long term sustainability of Caithness alongside that of the community sector. There was general agreement that the funds should not be directed towards what are perceived to be public sector projects.

Figure 7: Who should be eligible to receive funds from onshore wind farms?



A selection of comments from respondents on this eligibility question is captured in the table below. Providing support for individuals featured less prominently although a few commented that individuals living closest to turbines should benefit via some form of compensation scheme. In the discussion groups some participants suggested the funds could provide support to individuals as 'entrepreneurs or someone with a business idea' and a North Highland College student group suggested that options for college leavers could be enhanced with access to some form of business start up grant. They emphasised that this would be particularly valuable if it did not have an age restriction and if it provided some bespoke mentoring support alongside.

Table 27: Views on supporting community groups and business

Why support community groups?	Support to business – why & when?		
Community groups need more finance	Businesses need to expand & require start-ups		
	for future investment.		
Community groups deliver projects that provide	Businesses could greatly benefit from increased		
work for businesses and individuals	funding to enable wider employment and expand		
Community groups help with improving the	Businesses may also need support in these hard		
communities as a whole i.e. landscapes,	times		
buildings, local club and activities			
Community groups help develop opportunities at	When they can demonstrate benefit to the wider		
grass roots	community of their individual application		
Community groups and youth organisations are	Businesses struggle as well as community		
increasingly necessary in a recession when	groups'		
people are short of money			
Community groups - because the majority of	Only if the funds benefit the local community -		

Why support community groups?	Support to business – why & when?
these groups involve the time, effort and	providing long term employment, attracting
goodwill of unpaid volunteers	customers/visitors to the area. Individuals only if
	funds benefit the local community e.g. bursaries
	for training within Caithness
Many community groups have on-going yearly	Small businesses quite often struggle in this area
costs and this is difficult to fund from existing	and a small boost of money could see them
grant schemes or to pay co-ordinators to keep	through the current recession
groups active each year	
Community groups provide excellent service	Only where business can demonstrate an
across the whole of Caithness, constant funding	inability to self fund, and where an obvious
is necessary	benefit/return can be evidenced
Small community groups that are not supported	There may be occasions when a local business
by large organisations already or by the likes of	simply needs help with cash flow or to play a
The Highland Council, Dounreay etc to get help	short term financial gap
as they are often over looked and have a very	
important part to play	
Cross community and cross cultural projects	
where collaboration is essential to achieving	
overall benefit and outcome	

Although I have ticked all 3, there are issues in trying to establish a fair representation of valid community uses for such money. Businesses by definition are organised and staffed whereas it's harder for small groups and individuals to make an equivalent case. There needs to be real sensitivity and community knowledge in making these decisions. Currently the arts sector is very much a poor cousin, yet it is crucial to develop the infrastructure here - for economic reasons

Community groups and businesses have experience and knowledge to identify current needs and approaches on how best to meet needs

Groups and businesses are more accountable than individuals and should help a greater number of people

If we are saying we want job creation through these funds we cannot rely solely on the community and voluntary sector (they can catalyse some but not sufficient). But could offer work placements with voluntary organisations.

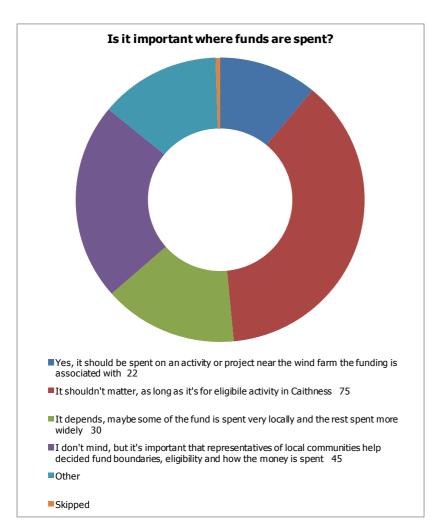
# 8 Is it important where community benefit funds are spent?

The majority of participants in the Caithness Conversation felt it shouldn't matter where funds are spent – as long as funds are used to support eligible activity in Caithness. Across most of the discussions there was acknowledgement that the idea in principle of widening the area of benefit/investment and creating Caithness wide fund/s was sensible, reasonable and 'fair'. However this acknowledgement came with a number of caveats around how such a fund/s is developed and managed and who is involved in deciding the fund purpose, eligibility, application and assessment processes and actual awards.

This question went to the heart of some of the current debate about community funds as it sought to raise discussion about the geographical boundaries of any funds. The team was mindful about not raising anxiety with communities' already in receipt of funds but there is little doubt that this question was a critical part of the Caithness Conversation.

In the discussion forums some participants did express concern about potentially widening the area of benefit by broadening the geographical eligibility criteria. These participants conveyed a sense of anxiety about the needs of their own communities being dismissed or potentially being disregarded in favour of 'wider' more strategic projects.

Figure 8: Is it important where funds are spent?



'Living in a rural part of Caithness I feel we lose out to the two main towns – it would be good if any monies could be used in the rural communities.'

But some respondents did highlight how some current community fund arrangements appear quite restrictive:

`Groups and organisations that are cross community tend to miss out on locally based, restricted project funding...'

'Some sports groups enjoyed by children and young people are county wide, e.g. rugby club and athletics club and are attended by people who live very close to wind farms but these clubs are based in the towns and are therefore not currently eligible for funding.'

It was suggested in the discussion groups particularly that those living closest to wind farms were more significantly affected and, arguably, had a greater call on any associated fund was a view that those who are most directly affected by the turbines should receive 'a greater proportion' of the fund. A lesser number of people felt that any funds should be wholly restricted to a 'local' community though there were sentiments expressed that 'until such time as the local community has run out of sensible ideas to use the money, none of the other options should be considered.' One person did suggest that those living nearest the turbines 'need to feel there is a proper legacy to their area'. Another noted that 'the people who are living and working near to the wind farms should see the benefit of any cash available, after all their life is affected by the turbines and possibly their properties will be devalued so anything that enhances their life would help to soften the blow.'

The Caithness Conversation however did not determine what 'local' meant.

The majority of questionnaire respondents felt that some level of Caithness-wide funding should be established from the wind farm opportunities:

- 'The wind farms impact on the whole area of Caithness as they can be seen everywhere in the county, the whole county should benefit.'
- 'Caithness has a small population which needs to work together; this should not be restricted by geographic exclusion.'
- `The people who live in the small communities near wind farms use the facilities in Thurso and Wick. These two towns do not benefit from wind farm money.'
- 'Please no more local funds .... we need to think bigger and use this great opportunity to do something special and long lasting.'
- `All the wind farms should be pulled together to do something much bigger than an individual fund can do. This would be better use of the money'.
- 'How about a 'Caithness pot?'

Some respondents made practical suggestions on potential 'alternative' arrangements:

- 'How about most spent locally and some in a wider pot?'
- 'Small funds (eg: under £50K) should be restricted to the community council area in which the wind farm is sited. Larger funds should be divided between the community council area and the county.'
- 'The people nearest the wind farm should receive the highest % of the funds, with a small % being put into a countywide fund to be used for example better broadband connectivity.'

Other respondents acknowledged the volume of work undertaken by some community members over long periods trying to secure a reasonable community benefit arrangement for their community. There was a sense that others would now be benefiting from their hard won efforts and this felt somewhat remiss. Related to this, the discussion groups revealed concern with potential loss of control once a fund becomes more than just local. This led to further discussion about **decision making processes** for community funds:

- 'Should be mainly in area surrounding the wind farm and up to those most disadvantaged [by the wind farm] to decide if groups out with their area receive funds.'
- 'The areas impacted most by the wind farms should be foremost in the funding distribution.'
- 'Priority given to area involved with wind farm as they have workload and impact.'
- 'Maybe the way forward is for each local fund-receiving body to need to be a registered charity and limited company. The community then chooses who its directors are and their duration. It might be more effective to link each funding area with each community council and the company/charity is directed by the members of the elected community council members'.

By implication this entity would then be able to make a decision about contributions from a 'local' fund to any wider Caithness fund.

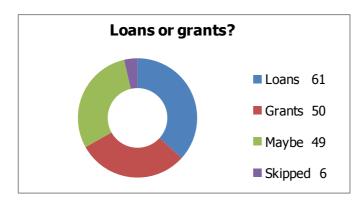
There were a cluster of references on some of the questionnaires, reiterated in some group discussions that any 'wider' fund should be retained within Caithness and not extended any further south or west.

One of the two community and voluntary sector groups spent significant time discussing where funds may be spent. They reached a broad consensus on the following:

- Communities most directly affected by a development should be given priority on funds. However, the group did not discuss what the criteria for 'most affected' might mean and in fact this issue has not been tackled in the Caithness Conversation.
- All funding should be retained within Caithness.
- Some should go local, some to a wider area particularly if the project proposal benefits the wider community – there does need to be a sense of 'fairer share' or 'greater equity' in the distribution model.
- But amounts going local or wider should be flexible and decided on a case by case basis.
- Accountability is very important and decision making for both the local or wider fund/s should be led by community representatives with external support.
- There are already common themes already across different funds eg: creating employment opportunities, supporting further training, improving transport for all, developing assets.
- Bringing some funds together would also help communities to share ideas, practice, projects and expertise across funds.

### 9 How should the money be made available?

Figure 9 Loans or grants?



From the survey, there was a broadly equal spread of opinion about whether funds should be made available as grants or loans with a broadly equal number of respondents suggesting that it depends on circumstances.

Common points about loans raised by participants were:

- Loans could ensure an evergreen, lasting resource for wider community benefit.
- Loans could be provided but only to viable projects or organisations. It was frequently suggested that these would be commercial businesses rather than community organisations.
- Loans could extend the reach and impact of investment both in the short and longer term.
- Loans from community funds linked to wind farms would potentially tarnish the reputation of money that was already considered by some to be controversial enough.

**BUT** 

• There was concern about effective administration of loans and – based on some previous experience – high default levels.

'This would allow a greater pool for the money. As the loans are repaid others can benefit from the funding - allows it to spread across the area.'

'I think, depending on what the money is for, it should be available as a loan. I don't think it would be right to use community benefit donations to allow businesses or individuals to make money, but if they could be lent money on generous terms then it would be good to see some of these funds supporting local businesses to grow, or individuals to start up /expand.'

'Maybe for larger businesses/commercial applications but for smaller businesses or community applications loans are not helpful. Many essential community projects are non-income generating and should not be forced to be businesses when that's not their core purpose.'

The question also stimulated helpful comments on the nature of grant funding with a number of responses suggesting that:

- 'Longer-term grants' should be considered (beyond the conventional three-year term) and a range of different amounts should be available for groups to apply for.'
- '100% funding should be made available rather than constantly expecting groups often led and run by over committed volunteers to find match funding.'

### 10 How should community benefit funds be administered in Caithness?

The various discussion groups emphasized the need for transparent processes to be in place for any fund management arrangement. In the survey, respondents were invited to rank in order of preference from six options with one being the most preferred option. **The results show an average preference for 'a Caithness organisation with dedicated support'**. Next favoured was 'locally by communities themselves' and thirdly 'by a Caithness organisation'.

Figure 10 below shows the ranked questionnaire/survey responses with the average ratings in Table x. Please note the orange bar refers to 'other' option which was generally left blank even when scored as 1-4.)

Figure 10: Ranked responses to the question by whom funds should be administered (NB – orange bar relates to 'other' though no specific suggestions noted)

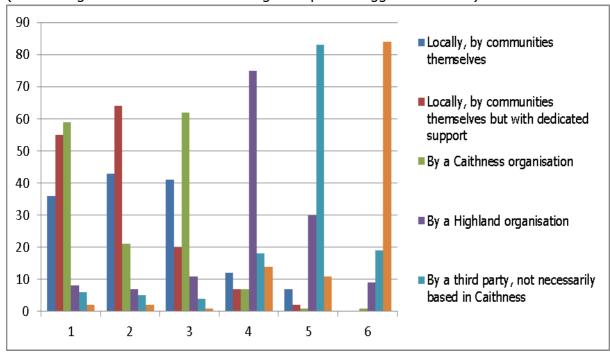


Table 28: Average percentage ratings

How do you think wind farm community funds should be administered in Caithness? (please rank in order with 1 being your most preferred option)							
Locally by communities themselves	28.7%	31.3%	29.6%	5.2%	5.2%	0%	2.27
Locally by communities themselves but with dedicated support	31.3%	47%	13.9%	6.1%	1.7%	0%	2.00

By a Caithness organisation	33%	13.9%	45.2%	6.1%	0.9%	2.3%	2.3
By a Highland organisation	3.5%	4.3%	7.8%	59.1%	17.4%	7.8%	4.06
By a third party, not necessarily based in Caithness	1.7%	1.7%	2.6%	11.3%	66.1%	16.5%	4.88
Other	1.7%	1.7%	0.9%	12.2%	8.7%	74.8%	5.49

The comments provided by participants raised issues concerning all these options:

- 'Local politics is a big issue particularly in such a small community where many people are related and family feuds can last generations.'
- 'A third party should not be influenced by fear or favour as local distribution might.'
- 'A third party outside Caithness wouldn't understand local needs and contexts enough. The Highland Council would be too 'statutory' risk of not being sufficiently flexible, creative, open-minded and would bring politics into things too much. The community themselves would be best but with support so that a wider perspective, new ideas and outside skills and experience can be drawn upon when needed.'
- '...and the key word is support...'
- \...but admin costs must be kept to a minimum...'
- 'Committees must have skills required to reasonably, accurately and sensibly assess applications and be able to seek support where required. There must be absolutely no prejudice and skills of committee should reflect likelihood of projects to be supported i.e. tourism, arts, science, culture, community service provision etc.'
- 'Not the Council....we are fed up in Caithness being ruled from Inverness.'

The discussion groups highlighted some further 'top tips' on proposed management of future community fund/s:

- Decision making processes should be proportionate to the scale and scope of any fund/s.
- Approach needs to be flexible not formulaic.
- Will need to be driven by what people actually want from these funds and which then reflect certain criteria.
- Support and attention needs to be given to growing local leadership and building capacity of community representatives to help design and implement good decision making processes for new funds.
- Whoever the decision makers are, they need to be accountable to the community, ideally reflect a local-external mix, and include local people rather than just agency representatives and need to reflect skills & knowledge appropriate to the fund/s criteria.

- Fund/s need to be administered professionally and with dedicated support to applicant organisations and groups
- Independence needed to help de-personalise the process and outcome.
- Communities should share skills and information around developing and managing funds.

### 11 Conclusion & next steps

Because of the significant number of wind farm projects either consented or currently being developed in Caithness, RWE NRL commissioned a research project to explore the wider strategic value of community benefit in Caithness alongside its more typical local application. The resulting Caithness Conversation has stimulated productive discussion and debate amongst different stakeholders about improving the impact of community benefit delivery in Caithness. This report captures those discussions against the backdrop of the current socio-economic situation.

Community benefit funds are a topic, issue and potential investment that different stakeholders invariably feel aligned to in some way. An important outcome of conducting the study in this way has been that it created the opportunity to bring together these different stakeholders and interest groups who may not otherwise convene around community benefit funds.

Beyond this, the Caithness Conversation has potential to influence a more collaborative approach towards applying future community benefit funds in Caithness. Initially this may be about sharing practice and learning and improving communication and information flow; but would subsequently focus on developing appropriate ways to create a pooled resource for wider Caithness activity. Certainly the Caithness Conversation did reveal a strong ambition to see these funds achieve a significant level of benefit and legacy across Caithness that will contribute to building a strong economic and social economy.

Some immediate Caithness wide priorities that emerged during the Caithness Conversation were:

- Developing a Caithness brand as a platform from which other integrated tourism projects could emerge and which would have a beneficial impact on the economy – for example, a route tourism project linking specific historic or scenic sites with dedicated transport routes or applying the brand to improved signage and interpretative information at sites throughout Caithness.
- Develop apprenticeship opportunities, maybe linked to the SME sector, to support both the aspirations of those young people keen to have employment and training/mentoring opportunities within Caithness.
- Improving public transport particularly for those in outlying rural areas and for all between main service centres.
- Improving sports facilities that serve all of Caithness.
- Providing travel bursaries for residents' travel to festivals, events, competitions where they are representing Caithness clubs and organisations.
- Investing in a Caithness Education Trust to support skills and knowledge development for Caithness residents.

Because of the significant pipeline of potential investment from community benefit, Caithness could be a unique setting to develop a different approach to community benefit.

But working out precisely how a Caithness-wide resource from community funds can be established will take further discussions. Certainly there was an emphasis during the Caithness Conversation discussions that this process is community led and the community sector is pivotal to deciding the shape, scope and decision making arrangement for any subsequent Caithness wide fund or funds. For now, it is worth emphasising that retaining and building 'buy-in' is critical to any next stage and can help inform a robust and transparent process through which the discussions can continue with a multi-stakeholder and cross-sector group.

To try and take the discussion forward, this study concludes with three specific suggestions for RWE NRL – and others to consider:

#### i. Build upon the Caithness Conversation

The methodology of the Caithness Conversation compelled people to talk to and listen to one another's views. It could be valuable to build upon that momentum by establishing a mixed stakeholder group to consider some of the results of the Caithness Conversation and consider ideas and arrangements for community funds going forward. The Caithness-wide organisations that assisted with organising and delivering the Caithness Conversation may be an appropriate initial group to convene and make public some recommendations about the membership and mandate of this group into the future.

#### ii. Encourage communities to share best practice and learn from each other

The Caithness Conversation revealed that communities have mixed levels of experience and knowledge on community benefit. There is a healthy appetite to share success and failure and improve practice – for example, around negotiating on community benefit with developers or establishing funds. An outcome from the research could be periodic 'Caithness Conversation' events which may be focused on specific themes or aspects of fund development or delivery. The Caithness Conversation could itself become the brand of a network of community members & practitioners keen to promote knowledge and share best practice with other communities. There was energy to share this learning and knowledge beyond Scotland and even beyond the UK.

#### iii. Convene a Caithness 'Developer' Conversation

The Caithness Conversation brought together some divergent views. It would be beneficial to bring together the views of developers who historically tend to work quite independently on renewables developments. Given the commercial nature of the industry this is perhaps unsurprising. However, without compromising commercial business ambitions a different approach is required in the relatively contained geography of Caithness where some level of common approach or standard could ensure greater application and impact of all investment.

In the first instance Foundation Scotland proposes that this document is made widely available across Caithness and to developers with an interest in Caithness.

### **Appendix A: An Overview of Funding Sources**

The list of funding sources below is not exhaustive and priorities can change or funds close. Therefore this is only a guide.

Adapted from an original document provided by Social & Economic Team, Dounreay Site Restoration Ltd.

<sup>\*</sup>denotes community funds which have not been confirmed.

	Business starts	Business	CNSRP support activities	Education/ skills	Community projects	Sports/ Arts
Scottish Government						
European Social Fund (ESF)		Х				
European Rural Development		Х				
Fund (ERDF)						
Highlands & Islands Enterprise						
HIE Account managed		X	X			
HIE Community growth			X		X	X
The Highland Council						
Business Gateway	Х					
LEADER (highland)	X	X	Х	X	X	Х
HC discretionary fund					X	X
Nuclear Decommissioning Authority						
NDA direct funding	Х	Х	X	X	X	
North Highland Regeneration	Х	Х				
Dounreay Site Restoration Ltd						
DSRL direct funding			X	X	X	
Dounreay Communities Fund			+	+~	X	X
DSRL employees charity fund					X	X
CNS Fund			X	X	X	X
Skills funding			<b>A</b>	A	A	<u> </u>
Make the Right Connections				X		
(Caithness Chamber)				^		
National Skills Academy,				X		
Nuclear						
National Skills Academy,				Х		
Power						
Cogent				X		
Skills Development Scotland				X		
Scottish Funding Council				X		
Sports/Arts						
Sports Development Foundation, Scotland						X
Caithness Sports Council						X
Scottish Arts Council						X
Coaching Highland						X
Commercial wind farm funds						
Halkirk & District Benefit Fund					Х	Х
West Caithness Community Fund					Х	x
Bilbster Community Fund		1			X	X
Community Fund associated with Baille Wind Farm *	X				X	X
Camster Community Fund						

	Business starts	Business	CNSRP support activities	Education/ skills	Community projects	Sports/ Arts
associated with Camster Wind						
Farm						
Wathegar						
Wathegar II				X		
Others						
Heritage Lottery Fund				X	X	Х
National Lottery Fund, including Coastal Communities Fund, Investing in Ideas & Awards for All				X	X	X
Scottish Rural Past				X	X	X
Community Force (RBS)					Х	Х
Co-op Community Fund					X	Х
Tesco charity Trust					X	Х
HC Community Challenge Fund					Х	Х
Voluntary Action Fund				Х	X	Х
Robertson Trust				Х	X	Х
Tudor Trust				Х	X	Х
Volant Trust					Х	Х

**European Social Funding Programme**: ESF aims to address social inequalities within and across regions by improving the general performance of the labour market, in particular in relation to marginalised groups. <a href="https://www.esep.co.uk/01-esf-programme.html">www.esep.co.uk/01-esf-programme.html</a>

**European Regional Development Fund Programme**: ERDF is a vehicle for promoting the economic development and regeneration of defined areas within the Member States of the European Union. www.esep.co.uk/01-erdf-programme.html

**Highlands & Islands Enterprise (HIE) account managed companies:** HIE works closely with ambitious businesses and social enterprises which have the potential to grow. Each customer who has growth potential is matched with a locally-based HIE account manager to build a positive relationship working towards high growth. <a href="https://www.hie.co.uk/support-for-business/our-work-with-businesses/">www.hie.co.uk/support-for-business/our-work-with-businesses/</a>.

HIE community growth: Working in partnership with local authorities and other public agencies, the community account management initiative will create locally employed community development workers. As well as assisting with community consultation and planning HIE works with local groups taking forward projects included in the overall community plans. <a href="https://www.hie.co.uk/support-for-communities/account-management/communities.html">www.hie.co.uk/support-for-communities/account-management/communities.html</a>

**Business Gateway:** Highland Council, via Highland Opportunities, provides practical information and help for business. Whether you are starting out or looking to grow your business, Business Gateway can help find the support, offer the latest on regulation and

tax, and provide an access point for other public sector services which may be required now or in the future. www.bgateway.com/bdotg/action/home?site=202

**LEADER (Highland):** The Highland LEADER Programme covers all of The Highland Council area and aims **t**o enable people in the Highlands to realise their ambitions to live in communities where they can fulfil their personal, social and economic potential. www.highlandleader.com/

The Highland Council Discretionary Fund: The Highland Council provides discretionary funding which is managed by the Ward Manager. Under the guidance agreed some projects will be given priority, including those which attract funding from other sources. However, any reasonable applications, normally from community groups and organisations, will be considered. It should be noted that the Ward Discretionary Budget will not be able to support projects which require an ongoing commitment. <a href="https://www.highland.gov.uk/livinghere/communitiesandorganisations/voluntaryorganisations/fundingandassistance/ward.htm">www.highland.gov.uk/livinghere/communitiesandorganisations/voluntaryorganisations/fundingandassistance/ward.htm</a>

**Nuclear Decommissioning Authority direct funding:** NDA funds socio economic activity from a proportion of the efficiency savings on the programme costs. To attract NDA support, proposals must meet the criteria and principles which are outlined in the NDA's socio economic policy. <a href="https://www.nda.gov.uk/stakeholders/socio-economic/index.cfm">www.nda.gov.uk/stakeholders/socio-economic/index.cfm</a>

**North Highland Regeneration Fund:** Small businesses and young companies often find it difficult to raise money to fund growth. The North Highland Regeneration Fund (NHRF) has been established by the Nuclear Decommissioning Authority to provide loan funding complementing other existing sources of funding for small businesses. This initiative is designed to pump-prime both the start-up of new ventures and the growth of existing businesses as part of the drive to replace the jobs which will be lost in the Caithness & Sutherland area as the Dounreay nuclear plant is decommissioned. www.nhrf.co.uk/context.html

**Dounreay Site Restoration Ltd (DSRL) socio-economic funding:** A small amount of funding is available to external organisations for enabling activities which align to the CNSRP programme.

www.dounreay.com/site-closure/socio-economics/funding/funding-available

**Dounreay Communities Fund**: For community-based organisations or charities that benefits people in Caithness & North Sutherland. <a href="www.dounreay.com/social-responsibility/dounreay-communities-fund">www.dounreay.com/social-responsibility/dounreay-communities-fund</a>

**DSRL employees' charity fund**: For community-based organisations or charities that benefit people in Caithness & North Sutherland.

**Caithness and North Sutherland Fund:** The CNS Fund was established by the NDA and DSRL to distribute funding to projects that can help regenerate the area's economy, in

accordance with the socio-economic policy of the Nuclear Decommissioning Authority. www.dounreay.com/social-responsibility/socio-economics/funding

**Make the Right Connections:** The Chamber, through MRTC, aims to help local companies and their staff grasps new opportunities expected to come to the region, replacing work lost in the run-down of the Dounreay nuclear site. <a href="https://www.caithnesschamber.com/news/index.asp?Article=1230">www.caithnesschamber.com/news/index.asp?Article=1230</a>

**National Skills Academy, Nuclear:** The NDA funded Community Apprenticeship scheme has been introduced to enable supply chain companies working within the nuclear sector to take advantage of additional funding to take on Apprentices for the first time or grow additional Apprentice skills for their business, enabling continued and better resource capability to support the Nuclear Site Licence companies to achieve their delivery objectives safely to time and cost. <a href="https://www.nuclear.nsacademy.co.uk/">www.nuclear.nsacademy.co.uk/</a>

**National Skills Academy, Power:** Gateway to apprenticeship opportunities **in** the Power industries. www.power.nsacademy.co.uk/

**Cogent:** Cogent, the National Skills Academy Nuclear and the National Skills Academy Process Industries have a national network of Skills Managers who are able to advise on national and local funding opportunities.

www.cogent-ssc.com/train to gain compact/fundingadults.php

**Skills Development Scotland**: SDS is equipped to provide skills, training and funding advice. www.skillsdevelopmentscotland.co.uk/our-services/services-for-employers.aspx

**Scottish Funding Council**: SFC distributes more than £1.5billion directly to Scotland's colleges and universities for teaching and learning, research and other activities in support of Scottish Government priorities. SFC can also provide resources to enable colleges to offer bursaries to students who are enrolled on non-advanced courses. www.sfc.ac.uk/funding/funding.aspx

**Sports Development Foundation, Scotland:** The Sports Development Foundation Scotland (SDFS) is a registered Scottish charity established to increase the finance available to Scottish sporting organisations to develop sports facilities. <a href="https://new.thebiggive.org.uk/charity/view/5713">https://new.thebiggive.org.uk/charity/view/5713</a>

**Caithness Sports Council:** Grant funding is available for new clubs, coaching, equipment and clubs with requirements to travel outwith Caithness. <a href="https://www.sportscaithness.org.uk/grant/">www.sportscaithness.org.uk/grant/</a>

**Creative Scotland:** Creative Scotland is the national agency for the arts, screen and creative industries. for the funding, development and advocacy of the arts in Scotland. http://www.creativescotland.co.uk/funding/funding-overview

**Community Benefit Funds - various:** see next Appendix

**Coaching Highland:** Funding relates to grants for sporting activities. www.coachinghighland.co.uk/members.asp?intent=loginform&script=/clubs-funding.asp

**Heritage Lottery Funding:** Using money raised through the National Lottery, the Heritage Lottery Fund gives grants to sustain and transform our heritage. From museums, parks and historic places to archaeology, natural environment and cultural traditions we invest in every part of our diverse heritage. <a href="https://www.hlf.org.uk/Pages/Home.aspx">www.hlf.org.uk/Pages/Home.aspx</a>

**National Lottery Funding:** Lottery funding can be applied for under various topics (ie Heritage Lottery Fund, Sport Lottery Fund, coastal communities, investing in ideas). www.lotteryfunding.org.uk/scotland/funding-internet-search.htm.

**Scottish Rural Past:** There are many funding opportunities for community archaeological and heritage projects. Details of main sources of funding available and also numerous other grant giving trusts can be found at <a href="https://www.scotlandsruralpast.org.uk/index.php?option=com\_content&view=article&id=26&Itemid=42">www.scotlandsruralpast.org.uk/index.php?option=com\_content&view=article&id=26&Itemid=42</a>.

**Royal Bank of Scotland Community Force:** a new initiative that provides support to local communities to support people, projects and charities making a real difference. <a href="https://www.rbs.co.uk/communityforce">www.rbs.co.uk/communityforce</a>

**Co-operative community fund:** Grants between £100 and £2000 are awarded to community, voluntary or self-help groups to run projects that meeting the criteria which must address a community issue, provide a good long-term benefit, support co-operative values & principles and be innovation in its approach. <a href="www.co-operative.coop/membership/local-communities/">www.co-operative.coop/membership/local-communities/</a>

**Scotmid Co-operative community grants**: The scheme - gives support to local communities served by Scotmid and Semichem stores. They will consider applications from community groups and charities supporting projects in any of the following categories: children and education; health; Fair-trade; homelessness and poverty; arts and culture; the environment; elderly people and active lifestyles. <a href="www.scotmid.com/community-charity/community/community-charity/community/community-charity/community/communities.aspx">www.scotmid.com/community-charity/community/communities.aspx</a>

**Tesco charity trust**: Runs two funding schemes – the community awards and larger grants. **Community Awards** provides one-off donations of between £500 and £4000 to local projects that support children and their education and welfare, elderly people and adults and children with disabilities. **Larger Grant Applications** range between £4000 and £25,000 to support local, national and international projects in areas where Tesco operates. http://www.tescocharitytrustcommunityawards-applications.co.uk/

**The Highland Council Community Challenge Fund:** provide £1 million each year of recurring spending for community projects exploring new ways of delivering services at a

local level. Community councils, community groups and established social enterprises are invited to express their interest via a one-page form which is available from the home page of the Council's web site: <a href="www.highland.gov.uk">www.highland.gov.uk</a>

# Appendix B: Onshore wind farms in Caithness and the associated community benefit arrangements as of April 2013

#### Note

**Bold type** - shows wind farms that have been built with funds that have started where present Normal type - shows funds that have not yet started but wind farms have planning permission *Italics* - shows proposed funds for schemes that do not yet have planning permission

Scheme	Installed Capacity (MW)	Developer	Administration	Details	Awards made	Publicity
Achairn	6.15	J&R Innes		No community benefit		
Achlachan	11.5	Whirlwind Renewables	In association with Pentland Community Enterprises	http://www.pentlandh ousing.co.uk/communi ty- enterprises/whirlwind- renewables  The partnership with Pentland will be in addition to a community benefit package, which will go to locally focused initiatives		
Bad á	Up to 32.5	RWE npower		http://www.rwe.com/		
Chèo		renewables		web/cms/mediablob/e n/1240994/data/7070		

Statkraft	Community Trust to	onshore/united- kingdom/in- development/bad-a- che/Bad-a-Che- Newsletter-August- 2011.pdf £100k per annum for		http://www.johnogroat-
	be established  Caithness Chamber of Commerce	a community trust in west Caithness, plus £25k per annum to the Caithness Chamber of Commerce for a business development fund. Fund expected to start from March 2013		journal.co.uk/Home/Clea rances-jibe-over- decision-to-give-wind- farm-the-go-ahead- 5508299.htm  http://www.johnogroat- journal.co.uk/News/Bailli e-turbine-blades-to- arrive-at-Scrabster- 31052012.htm
RWE npower renewables	Watten, and Tannach and District	£11,700 to both community councils in Year 1	http://www.tannac handdistrict.org/mw /index.php?title=Bil	http://www.bailliewindfar m.co.uk/links/Wind%20P roject%20Leaps%20Ahe ad.pdf  www.communityener

			Community	and spli	it in	bster_windfarm_co	gyscotland.org.uk/reg
			Councils	subsequent	years	mmunity benefit	<u>ister</u>
			administer the	(£2925 to 1	TCC and		
			<b>Community Fund</b>	£1950 to Wa	atten)	6 applications for	
						funding from its area	
						were approved Oct	
						20122: new	
						Christmas lights for	
						Thrumster, new	
						Christmas trees for	
						the local villages, a	
						health and safety	
						course for four	
						members of Stirkoke	
						Rifle Club, indoor	
						play equipment for	
						Thrumster and	
						Halloween and	
						Christmas parties at	
						both Bilbster and	
						Thrumster halls	
Buolfruich	12.75	A Hall	Commercially			http://www.eoincox	
			confidential			.com/uploads/3/5/4	
			agreement with			/8/3548323/investi	
			the Residents			ng20for20communit	
			Association of			y20benefit.pdf	
			Houstry Township			overall benefit	
			and annual			estimated at £120k	
			contribution to			per annum	

			the community			
			council			
Burn of	Up to 22.5	RWE npower	http://www.rwe.com	Community		
Whilk		renewables	/web/cms/en/28132	Investment Package		
			<i>2/rwe-</i>	to be confirmed		
			innogy/sites/wind-	following consultation		
			onshore/united-	with the local		
			kingdom/in-	community after the		
			development/local-	Caithness Profile is		
			<u>benefits/</u>	published.		
Camster	50	E.ON	Foundation Scotland	£50k per annum to be	http://www.tannachand	
			http://www.foundati	ring fenced for each	district.org/mw/index.p	
			onscotland.org.uk/pr	of the three	hp?title=Camster_windf	
			ogrammes/eon-	community councils,		
			<u>camster.aspx</u>	Tannach and District,	<u>t</u>	
				Watten & Latheron,		
			The 12 member	•		
			panel consists of	•		
			four representatives			
			from each of the	''		
			three Community			
			Council areas.	in these areas. E.ON		
			Members include			
			one Community	£150,000 per annum		
				for 25 years or the		
			members of the			
			public who are over			
			18 and living in the	2013.		
			area.			

Causeymire	48	RWE npower renewables	Halkirk District Benefit Fund	Fund started at a base level >£55k. Index linked in line with inflation through operational lifetime. Also a one-off lump sum of £300k	Groups to have benefited include 1st Halkirk Guides, Halkirk F.C., Halkirk Primary School and Halkirk Village Council. Biggest single donation was £100,000 to help renovate Spittal Village Hall	at- journal.co.uk/News/ Wind-farm-cash-pot- remains-unclaimed-
Forss	2	RES	West Caithness Community Fund	http://www.forss- windfarm.co.uk/loc al- benefits/communit y-fund.aspx	Christmas lights, swimming training camps, sports equipment for the local Beaver group and educational trips	
Forss extn	5	RES	West Caithness Community Fund		-	
Halsary	34.5	Scottish Power Renewables		http://www.halsarywi ndfarm.com/about- benefits.asp		
Limekiln	90	Infinergy	discuss how the fund could operate and the priorities it could	Package worth £5,000 per MW- a total of up to £360,000 a year or £9million over the 25-year lifetime of the project, based on a		http://www.pressandjour nal.co.uk/Article.aspx/30 07623

	1		T.,,		T	
			West Community	total installed capacity		
			Council, Melvich	of up to 72MW.		
			Community Council,	http://www.limekilnwi		
			Reay Primary	ndfarm.co.uk/benefits		
			School, Caithness	<u>.aspx</u>		
			Chamber of			
			Commerce and			
			Thurso College)			
Lyth Hill	23	Eurowind		http://www.lythwindf		
				arm.co.uk/pages/com		
				munity.php		
Stroupster	28	Baywa r.e		http://www.dunnetan		
				dcanisbaycc.org/index		
				.asp?pageid=401792		
Wathegar	10	Whirlwind	Tannach & District	http://www.whirlwind		
		Renewables	and Watten	renewables.com/sites/		
			community councils	wathegar.html		
			are currently	£32k per annum		
			considering options			
			for fund			
			management.			
Wathegar2	18.45	Whirlwind	Discussions with	http://www.whirlwind	http://www.johnogroat-	http://www.johnogroat-
_		Renewables	North Highland	renewables.com/sites/	journal.co.uk/News/Cait	journal.co.uk/News/Com
			College to set up a	wathegar-two.html	hness-coleege-signs-	munities-cashing-in-on-
			fund to support the		up-to-wind-farm-deal-	wind-farms-7326103.htm
			development of skills		<u>22112011.htm</u>	
			•			
			£50k per annum)			
vvatnegar2	18.45		North Highland College to set up a fund to support the development of skills and employment opportunities (£30-	renewables.com/sites/ wathegar-two.html	journal.co.uk/News/Cait hness-coleege-signs- up-to-wind-farm-deal-	journal.co.uk/News munities-cashing-ir

Dunbeath	66	West Coast	Local co-op is	The revenue benefit	http://www.falckrenewab
		Energy on	intended to be set	will comprise an	les.eu/attivita/elenco/dun
		behalf of Falck	up to allow local	annual payment of	beath/overview.aspx?sc
		Renewables	people to purchase a	£1000 per installed	<u>lang=en</u>
			stake in the wind	MW per year for the	
			farm. Falck will also	life of the wind farm.	
			gift two turbines to		
			the community		
			which would provide		
			£100-£120K per		
			annum in benefit to		
			the community.		

# Appendix C: Examples of visitor attractions run by community organisations

Caithness Horizons: Showcases the rich and distinctive heritage, wildlife and ecology of this county. Located in the restored Thurso Town Hall and adjoining Carnegie Library, it comprises of a museum, interactive exhibitions and displays along with a café.

Wick Heritage Centre: An award-winning museum run by volunteers from the Wick Society, it tells the story of Wick's rise to prominence as a major herring port.

Dunbeath Heritage Centre: Dunbeath Preservation Trust operates this focal point for the rich culture and heritage of the Dunbeath area, concentrating on the life and works of locally-born author Neil Gunn.

Mary-Ann's Cottage: A small homestead with outbuildings run by Caithness Heritage Trust and situated a few miles from Dunnet Head. It remains as an example of the way in which crofters lived and worked before industrialisation.

Waterlines: Tells the story of Lybster's rapid rise to become one of Scotland's foremost herring ports.

Caithness Broch Centre: Opened in the summer of 2009 at Auckengill, the centre explores the rich archaeological landscape of the far north of Scotland.

Castlehill Heritage Centre: Celebrates the heyday of the Castlehill flagstone trade and many other aspects of local life in Castletown.

Clan Gunn Heritage Centre: Located in the 18th-century Old Parish Church of Latheron, this museum tells the story of a proud Scottish clan descended from the Vikings.

Laidhay Croft Museum: A croft heritage centre located in a typical 'longhouse' croft building, it celebrates the area's history of rural life.

## **Appendix D: Caithness Conversation Contributors**

Method	Number	Stakeholder	
Survey electronic	116		
Survey non electronic	61		
Discussion groups	9	Wick Youth Club including	
		Caithness Youth Forum	
		representatives	
	13	Students from Thurso	
		secondary school	
	32	Students from Wick	
		secondary school	
	12	Watten, Tannach & District &	
		LLC Community Councils	
	6	CVG am - Anchors	
	9	CVG pm – Arts, Heritage,	
		Environment	
	6	Chamber of Commerce	
		members	
	10 7f, 3m	North Highland College	
		students	
	8	CNSF Board	
Individual discussions	12		
Caithness Cafés	20	Wick	
	22	Thurso	
	335 (with approximately 15		
	participants attending more than		
	one forum or also contributing a		
	questionnaire response)		

Participating organisations
Association of Caithness Community Councils
Halkirk & District Community Council
Watten Community Council
Thurso Community Council
Dunnet & Canisbay Community Council
Tannach & District Community Council
Latheron, Lybster & Clyth Community Council
Wick Youth Club
Caithness Youth Forum
Students from Thurso Secondary School
Students from Wick Secondary School
Cubs, Scouts, Brownie and Girl Guide groups
Caithness District Young Farmers Club (three local clubs)
Caithness Voluntary Group
DATEC Retirement Group
Ormlie Community Association
Latheron, Lybster, Clyth Community Development Company
Caithness Horizons

Pulteneytown People's Project
Lybster Heritage Trust
Clan Gunn Heritage Centre
Lybster Harbour Committee
Gills Bay Harbour Committee
Scottish Ornithologists' Club – Caithness Branch
Dunnet Forestry Initiative
Caithness Horizons
Caithness Field Club
Caithness Chamber of Commerce
North Highland College
Caithness & North Sutherland Fund
Caithness & North Sutherland Regeneration Partnership
Highlands and Islands Enterprise
North Highland Initiative
Dounreay Stakeholder Group
Pentland Housing Association
The Highland Council
High Life Highland
Caithness Biodiversity Group
Caithness Renewables Ltd
Pentland Lodge

### **Appendix E: Caithness Conversation Survey**

Below is a copy of the survey from which responses were collated.

## How can funding from onshore wind farms be used to benefit Caithness and its communities?

This survey is part of a research project called the **Caithness Conversation** which has been commissioned by RWE npower renewables, an active energy developer and operator in Caithness. The results will inform RWE npower renewables' own work with communities and community funds in Caithness. We also hope it will encourage communities to better benefit from future funding, build more connections with each other and support continuing partnership working across the area.

We would very much appreciate if you could please complete this survey and return it **by 25**<sup>th</sup> **March** in the FREEPOST envelope or to:

FREEPOST Plus RTCR-BHSL-KSAU Renewables @ no 10, 10 Sinclair Street THURSO KW14 7AJ

	JRSO KW14 7AJ
Q1	Caithness is likely to benefit from more funding becoming available from onshore wind farms. What should this funding support? (please tick any that apply)
	☐ Developing services, facilities and activities
	Examples: activities for young people, the elderly or other groups, community organisations buying land, affordable housing, buildings or other assets, running costs including staff or volunteer costs, improving arts, sports, heritage and other leisure & cultural opportunities etc.
	☐ Helping create and sustain more employment opportunities
	Examples: supporting small & medium sized businesses, apprenticeships, community enterprise etc.
	☐ Increasing our skills & knowledge
	Examples: training courses, educational bursaries, community education, learning exchanges, study visits etc.
	☐ Preserving and enhancing the physical and natural environment
	Examples: micro-renewable projects, improving footpaths, tourism initiatives, affordable housing etc.
	☐ Getting around & getting connected

	Examples: transport, broadband connectivity etc.
	□ Other - please specify:
Q2a	Are the issues in Q1 relevant to where you live in Caithness?  ☐ Yes ☐ No
	If yes, any in particular?
	If no, what issues are more relevant?
Q2I	b Are the issues in Q1 relevant more widely across Caithness? ☐ Yes ☐ No
	If yes, any in particular?
	If no, what issues are more relevant across Caithness?
Q3	Who should be eligible to receive funds? (please tick any that apply)
	□ Community groups & organisations
	□ Businesses
	□ Individuals
	□ Other - please specify
If yo	ou have ticked yes to any, please tell us why in the space below:
Q4	Is it important where funds are spent?
	(please tick the response you most agree with)
	$\hfill \Box$ Yes, it should be spent on activity or projects near the wind farm the funding is associated with.
	☐ It shouldn't matter - as long as it is supporting eligible activity in Caithness.
	It depends – maybe some of the fund is spent very locally and the rest spent more widely.
	☐ I don't mind but it is important that representatives of local communities help decided

Other – please specify		fund boundaries, eligibility and how money is spent.
should be distributed as loans as well as grants?  Yes, because (please complete) No because (please complete) Maybe because (please complete) Maybe because (please complete)  Getaithness? (please rank in order of preference with 1 being your most preferred option)  Locally, by communities themselves Locally, by communities themselves but with dedicated support By a Caithness organisation By The Highland Council By another third party not necessarily based in Caithness Other (write in)		□ Other – please specify
No because (please complete)   Maybe because (please complete)   Maybe because (please complete)   Maybe because (please complete)   Maybe because (please complete)   Caithness? (please rank in order of preference with 1 being your most preferred option)   Locally, by communities themselves   Locally, by communities themselves but with dedicated support   By a Caithness organisation   By The Highland Council   By another third party not necessarily based in Caithness   Other (write in)	Q5	
Caithness? (please rank in order of preference with 1 being your most preferred option)  Locally, by communities themselves Locally, by communities themselves but with dedicated support By a Caithness organisation By The Highland Council By another third party not necessarily based in Caithness Other (write in)		No because (please complete)
Locally, by communities themselves but with dedicated support  By a Caithness organisation  By The Highland Council  By another third party not necessarily based in Caithness  Other (write in)	Q6	Caithness? (please rank in order of preference with 1 being your mos
Q7 a Which of the following fund/s are you aware of b Which fund/s has a group you belong to benefited from in the last five years? (please tick any that apply)  7a 7b		Locally, by communities themselves but with dedicated support By a Caithness organisation By The Highland Council By another third party not necessarily based in Caithness
b Which fund/s has a group you belong to benefited from in the last five years? (please tick any that apply)  7a 7b  Dounreay Communities Fund (grants up to £5,000)  Caithness & North Sutherland Fund  Caithness Partnership Environmental Fund (now closed)  North Highland Regeneration Fund (loans only up to £50,000, rolling programme)  The Highland Council Community Challenge Fund (opened June 2012)  Other Highland Council funds including the Deprived Area Fund, Ward Discretionary Budget, Landfill Community Fund)  Highland LEADER 2007-13 Fund (closed)  West Caithness Community Fund  Halkirk and District Community Fund  Bilbster Wind Farm Community Benefit Fund  Funds or donations from local companies eg: Subsea 7  Other (please write in, including other Caithness, Highland, Scotland or UK	Any	y further comments/explanation on administration?
b Which fund/s has a group you belong to benefited from in the last five years? (please tick any that apply)  7a 7b  Dounreay Communities Fund (grants up to £5,000)  Caithness & North Sutherland Fund  Caithness Partnership Environmental Fund (now closed)  North Highland Regeneration Fund (loans only up to £50,000, rolling programme)  The Highland Council Community Challenge Fund (opened June 2012)  Other Highland Council funds including the Deprived Area Fund, Ward Discretionary Budget, Landfill Community Fund)  Highland LEADER 2007-13 Fund (closed)  West Caithness Community Fund  Halkirk and District Community Fund  Bilbster Wind Farm Community Benefit Fund  Funds or donations from local companies eg: Subsea 7  Other (please write in, including other Caithness, Highland, Scotland or UK		
<ul> <li>Dounreay Communities Fund (grants up to £5,000)</li> <li>Caithness &amp; North Sutherland Fund</li> <li>Caithness Partnership Environmental Fund (now closed)</li> <li>North Highland Regeneration Fund (loans only up to £50,000, rolling programme)</li> <li>The Highland Council Community Challenge Fund (opened June 2012)</li> <li>Other Highland Council funds including the Deprived Area Fund, Ward Discretionary Budget, Landfill Community Fund)</li> <li>Highland LEADER 2007-13 Fund (closed)</li> <li>West Caithness Community Fund</li> <li>Halkirk and District Community Fund</li> <li>Bilbster Wind Farm Community Benefit Fund</li> <li>Funds or donations from local companies eg: Subsea 7</li> <li>Other (please write in, including other Caithness, Highland, Scotland or UK</li> </ul>	Q7	b Which fund/s has a group you belong to benefited from in the last five
		<ul> <li>Dounreay Communities Fund (grants up to £5,000)</li> <li>Caithness &amp; North Sutherland Fund</li> <li>Caithness Partnership Environmental Fund (now closed)</li> <li>North Highland Regeneration Fund (loans only up to £50,000, rolling programme)</li> <li>The Highland Council Community Challenge Fund (opened June 2012)</li> <li>Other Highland Council funds including the Deprived Area Fund, Ward Discretionary Budget, Landfill Community Fund)</li> <li>Highland LEADER 2007-13 Fund (closed)</li> <li>West Caithness Community Fund</li> <li>Halkirk and District Community Fund</li> <li>Bilbster Wind Farm Community Benefit Fund</li> <li>Funds or donations from local companies eg: Subsea 7</li> </ul>

In your experience, what impact are these funds having (please tick any that

Q8

apply)

	Creating employment
	☐ Improving facilities & services
	☐ Bringing our community together
	☐ Helping specific groups like young people or the elderly
	☐ Improving our natural environment
	☐ Increasing energy efficiency
	☐ Other (please write in)
ea at	se highlight any exemplary projects you know about or have been involved with are having impact in Caithness.

#### **ABOUT YOU**

Which	Caithness community cou	ncil a	rea do you live i	in?		
	Berriedale & Dunbeath		Bower		Castletown & District	
	Caithness West		Halkirk & District	t 🗆	Dunnet & Canisbay	
	Latheron, Lybster & Clyth		Sinclair's Bay		Tannach & District	
	Thurso		Watten		Wick	
How I	ong have you lived in Caith	ness'	?			
	Less than 5 years		5 – 10 years			
	Over 10 years		All my life			
Are yo	ou Male		Female			
	iviale		i emale			
<b>Age g</b> ☐ 13	roup (please tick) - 17 □ 18 - 25 □ 26 -	- 40	□41 <i>–</i> 55	□56 -	- 65 □66 or over	
□ Pre	efer not to say					
Are yo	ou Vorking (employed or self emp	oloyed	d) 🗆 Retired	□ Vol	unteering	
□ Ir	n full time training or education	า	□ Other	□ Pre	efer not to say	
event	would to participate further in and/or learn about the resultined contact details:				•	
Name	Э					
Addre	ess					
Teler	phone					
Emai						
	How can you particip	ate fu	rther in the Caithr	ness Co	nversation?	
Send an <b>email</b> to <u>caithness@foundationscotland.org.uk</u> if you'd like to talk with one of the research team who will then get in touch.						
Come along to a Caithness Café for lunch and conversation:						
Friday 22 <sup>nd</sup> March 1.30 – 5.00 Pulteney Centre, Huddart Street, Wick Saturday 23 <sup>rd</sup> March 10.00 – 1.30 Royal British Legion, Riverside Road, Thurso Please email caithness@foundationscotland.org.uk to book your place						
	rvey is also available online at <u>wables.com/caithnessconversation</u>		aithness.org or <u>ww</u>	w.npowe	er-	
	The results and findings from the Caithness Conversation will be collated to form a Community Profile Report which will be widely available locally in Caithness and we hope local groups and individuals will find the results useful.					

### **Appendix F: References**

Carnegie UK Rural Action Research Programme, 2009

The Highlands and Islands in Numbers, HIE, 2013

Area profile for Caithness & Sutherland, HIE, 2011

Action Plan for Caithness and North Sutherland, 2007-2010.

The Socio-Economic Impacts of Dounreay Decommissioning, Final Report to Highlands & Island Enterprise and Dounreay Site Restoration Ltd, Grangeston, 2012.

Highland LEADER 2007-2013 Development Plan for Caithness

The Highland Council Single Outcome Agreement (SOA), 2009-11