

Responding to the labour market crisis and Investment in skills

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PURPOSE OF THE PAPER

This paper provides an update from the previous CoHI meeting which considered the labour market challenges facing the Highlands and Islands and key actions to address these, and:

- Highlights the continuing impact that the COVID-19 pandemic is having on the Highlands and Islands economy, with a particular focus on implications for the labour market and skills.
- Highlights the extensive collaborative activities that are underway to develop immediate, short, and medium-term local education and skills responses to the economic and labour market challenges.
- Sets out future actions and local long-term investment in skills.

It invites the Convention on the Highlands and Islands (COHI) to:

- Recognise the progress made since the last COHI meeting by Local Authorities and partners to mitigate the impacts of the labour market crisis across the Highlands and Islands.
- Ask partners to support the key additional priority areas for 2021 outlined in the paper.

1. UPDATE ON THE ECONOMIC IMPACT ON THE HIGHLANDS AND ISLANDS ECONOMY

1.1 Across the Highlands and Islands, **key sectors such as Tourism, Hospitality and the Creative Industries continue to be severely impacted by the pandemic**, and this will have been exacerbated by the move of the region into Tier 3 and Tier 4 restrictions from December 2020. The Scottish Tourism Alliance estimates that around 30,000 jobs in the sector are currently at risk across Scotland with a considerable rise in business closures.¹ 49% of the workforce remained on furlough between 2nd November and 29th November 2020, compared to 13% across all other industries². There are currently 21,500 people employed in the Tourism sector and 5,400 in Creative Industries in the region³.

1.2 **Up to the 8th of December 2020, across the Highlands and Islands there were a total of 14,700 COVID business support fund grants awarded⁴, valued at over £156 million.** The Federation of Small Business identified that the pandemic's impact on cash flow across businesses in the Highlands, Islands and Argyll (82%) was higher than the rest of Scotland as a whole (77%), and that many are struggling to make rent and mortgage payments⁵. It also suggests that more businesses have closed in the area (64%) than any other in Scotland (53%).

¹ Scottish Tourism Alliance (December 2020) News: STA Destination Forum meeting with the Cabinet Secretary, available online at: <https://scottishtourismalliance.co.uk/destination-forum-meeting-with-the-cabinet-secretary/>

² Scottish Government (December 2020) Business Impact of Coronavirus Survey (BICS) - weighted Scotland estimates: data to wave 18, available online at: <https://www.gov.scot/publications/bics-weighted-scotland-estimates-data-to-wave-18/>

³ Oxford Economics (2020)

⁴ Coronavirus (COVID-19) business support fund grants statistics, available online at: <https://www.gov.scot/publications/coronavirus-covid-19-business-support-fund-grant-statistics/>. Data is rounded to the nearest 100.

⁵ Federation of Small Businesses (July, 2020) Finding our Feet; Scottish Small Businesses and the Coronavirus Crisis, available online at: <https://www.fsb.org.uk/resource-report/finding-our-feet.html>

Consequently, fewer have been able to keep trading (24%) compared to the Scottish average (33%). The current lockdown may have long lasting scarring effects on the local economy. Despite the furlough scheme, many businesses have seen reduced profits over months and the impact of such a loss in income may render many businesses economically unviable.

- 1.3 In addition to the challenges which the Highlands and Islands is already facing, **Brexit is likely to bring additional short to medium term challenges to businesses with concerns around new bureaucracy** for exports/imports and potential shortages of supplies. The fishing sector has encountered challenge. For example, Buckie Harbour fish landings are well below average for the year and affecting processors and reduced exports are already having a devastating impact on those employed locally.
- 1.4 **Another emerging effect of Brexit is the loss of EU Nationals to the region and the negative impact this will have on the ability of the tourism sector to restart.** For example, local hotels in Argyll and Highland are expressing concerns over the likelihood of experiencing serious problems in finding a suitable workforce. This could provide opportunities for people to be trained to work in these industries but in the short term may heighten existing seasonal labour shortages.

2. UPDATE ON THE SCALE OF THE UNEMPLOYMENT CHALLENGE

- 2.1 **Recent online job postings data demonstrates a partial recovery in recruitment in the Highlands and Islands with the number of vacancies increasing between April 2020 and January 2021 by 184%⁶.** The pattern of recruitment throughout 2020 mirrors the relaxing of COVID measures across some sectors throughout the summer / early winter 2020, and the increased demand for workers across customer service and health and social care roles. **The jobs with the greatest number of vacancies over the past 12 months have been Nurses, Care workers and Home carers, and Cleaners and Domestic.** However, this current lockdown and the end of the Job Retention Scheme in September 2021, have the potential to contribute to a significant increase in unemployment and reduced recruitment.
- 2.2 **In January 2021, there were 2,331 job postings available**, 21% lower compared to January 2020⁷ indicating some caution on the part of employers and lower business confidence levels. **The locations with the most advertised jobs were Inverness, Elgin and Aviemore with 6,860, 1,730 and 1,210 job postings respectively.** The top specialised skills associated with the job postings were customer service, teaching, teamwork and collaboration, and cleaning indicating that there is demand for softer skills.
- 2.3 The most recent Highlands and Islands **unemployment figures⁷ from the period October 2019 to September 2020 show that 6,100 people aged 16+ (2.5%)^{8,9} were unemployed.** This includes 700 unemployed young people, with a higher unemployment rate of 2.6%.
- 2.4 However data such as the universal credit claimant count shows that COVID-19 continues to have a financial impact on individuals in the Highlands and Islands, **as the number of**

⁶ Burning Glass Technologies (February 2021). Burning Glass Vacancies gathers insight from online job postings and websites

⁷ ONS (NOMIS): The International Labour Organisation (ILO) definition of unemployment includes people who are out of work, seeking work and available to start work. To be ILO unemployed, an individual must satisfy all three criteria.

⁸ Annual Population Survey accessed via NOMIS January 2021. Data is for October 2019-September 2020

⁹ Annual Population Survey accessed via NOMIS October 2020. Data is for October 2019 – September 2020

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individuals seeking universal credit increased from 19,900 in March 2020 to 36,400 in December 2020; (83%).¹⁰

- 2.5 **The labour market impacts of the pandemic will not solely be restricted to those who are in work.** Modelling work undertaken by SDS and validated by team Highlands and Islands partners suggests that a broad range of customer groups are likely to see their labour market choices impacted by economic and labour market crisis. This includes:
- **5,000 estimated secondary school leavers** between winter 2020/21 and winter 2021/22, due to make the transition to education, training, or employment.
 - **5,100 school pupils at risk of transition into negative destinations.**
 - **3,841 Modern Apprentices currently in training** who may be at greater risk of redundancy¹¹.
 - **1,800 College and 3,560 University leavers**¹²¹³.
- 2.6 **There has been an increase in PACE redundancy support for employers and individuals** across the Highlands and Islands. Between 1st April 2020 and 31st January 2021, 1,891 individuals and 109 employers received PACE support. The sectors where information provision was greatest were Accommodation and Food services and Wholesale and Retail trade.¹⁴
- 2.7 **There are still a significant number of jobs still furloughed across the region**¹⁵¹⁶, see figure 1 below:

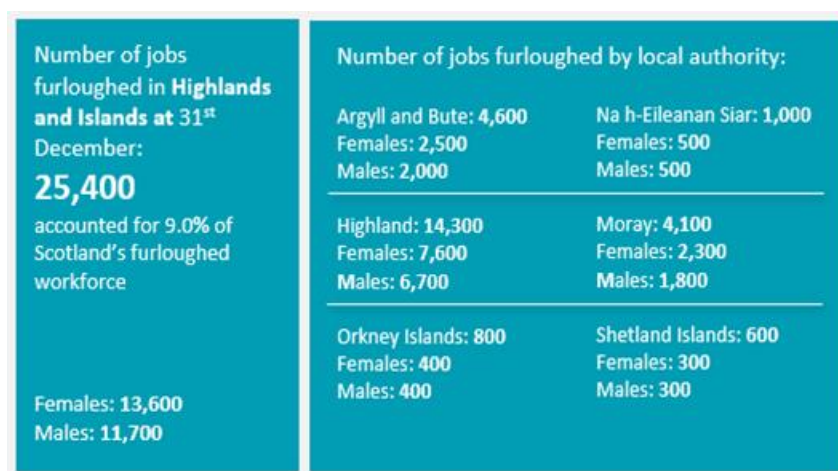


Fig 1: Highlands and Islands Coronavirus Job Retention Scheme uptake 2020

¹⁰ DWP accessed via Stat X-plore. Data is for January – December (provisional) 2020. Data is rounded to the nearest 100.

¹¹ SDS (2021) Modern Apprenticeship Statistics. Available at: <https://www.skillsdevelopmentscotland.co.uk/media/47432/modern-apprenticeship-statistics-quarter-3-2020-21.pdf>. Data is rounded to nearest 5.

¹² College Leaver Destinations 2018/19. Available online at:

http://www.sfc.ac.uk/web/FILES/statisticalpublications_sfcst072020/College_Leaver_Destinations_2018-19_Full_Report.pdf

¹³ Scottish Funding Council (2020). HE Students and Qualifiers at Scottish Institutions 2018-19. Available online at:

<http://www.sfc.ac.uk/publications-statistics/statistical-publications/2020/SFCST042020.aspx>

* Highlands and Islands MA redundancy figure does not include Na h-Eileanan and Shetland as the data is suppressed.

¹⁴ Partnership Action for Continuing Employment (PACE), SDS data January 2021

¹⁵ UK Government (2020). Coronavirus Job Retention Scheme statistics: December 2020. Data rounded to nearest 100. Available online at <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-january-2021>

¹⁶ UK Government (December 2020) Coronavirus Job Retention Scheme Statistics: December 2020, available online at: <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-december-2020>

3. RESPONDING TO THE LABOUR MARKET CRISIS

- 3.1 Refreshed local employability partnerships (LEPs) are chaired by Local Authorities and are proving to be pivotal in terms of providing a coherent and effective response to the employability and training challenge. The seven LEP's in our region are taking a lead role in co-ordinating information to match local employer opportunities with people who need support looking for employment utilising the most appropriate funding streams.
- 3.2 All our Local Authorities are developing a range of employability measures including all age employment support services, 'No One Left Behind' employability programmes and local delivery mechanisms for the Young Person's Guarantee. This includes locally developed employer recruitment incentives such as the Highland Employer recruitment offer (HERO) which aligns with the UK Government's Kickstart scheme.
- 3.3 Other examples include Moray Council, who have refreshed their Local Employability Partnership, launched their Moray Employer Recruitment Initiative (MERI), developed a employability hub and a single point of access through the [Moray Pathways](#) online portal. DYW school coordinators are also now in place.
- 3.4 North Ayrshire Council have identified that It is likely that there will be increased demand for additional digital skills training as a result of Covid-19 and considering how they best support digitally excluded young people with IT equipment, training, and data packages. This support may be critically important to young people in remote and Island communities.
- 3.5 Local Authorities should also be recognised for the speed and innovation of their response in supporting senior phase pupils. For example, Comhairle nan Eilean Siar have quickly increased delivery through the E-sgoil National Offer which is increasingly important in the disrupted COVID-19 learning environment as well as delivering all ten Foundation Apprenticeship frameworks remotely.
- 3.6 Developing and communicating a shared evidence base – HIE and SDS are working closely to ensure that there is an up to date evidence base against which Regional and Local actions can be agreed and shared to Inform recovery planning. This includes HIE's [Impact of COVID-19 on the Highlands and Islands](#) reports which draws on available national COVID-19 data and analysis along with existing socio-economic datasets, and provides estimates of GDP and output impact, as well as SDS' monthly [Regional Skills Assessments for the Highlands and Islands](#) and [COVID-19 Insights](#) reports which outline labour market forecasts; furlough and unemployment data; recovery scenarios; and impacts on businesses, sectors and people.
- 3.7 Partners have been using the evidence base from HIE and SDS to inform decisions, identify priorities and support an effective partnership response. In Orkney, this evidence is being significantly enhanced through the work of Orkney Islands Council and the Orkney Skills Think Tank
- 3.8 To gain an understanding of future skills needs in Shetland's Economy, SDS worked with Shetland Islands Council and other partners in November to develop, test, and evaluate innovative approaches to local skills development via a series of "Living Labs" to identify local challenges and seek potential solutions.

- 3.9 **In response to the unprecedented disruption caused within the Tourism Sector, the Scottish Government established the Scottish Tourism Recovery Taskforce.** Visit Scotland and the Scottish Tourism Alliance facilitate the Scottish Tourism Emergency Response Group and developed a recovery action plan which contains key skills responses including the establishment of a Talent Development Programme, funding support to allow training to be completed and to digitalise their Future Chef and Ambassador programmes.
- 3.10 **Engaging with UHI to agree a revised regional provision offer** - A series of workshops involving SDS, SFC, HIE, local authorities, UHI and associated colleges have taken place focussing on determining the short and medium-term employment opportunity areas as the economy begins to recovery.
- 3.11 **Local Authority partners have been involved in validating these opportunity areas. For example, Argyll and Bute Council and the refreshed Local Employability Partnership have been key to this process.** Collectively we are now preparing for the longer term and considering new provision to respond to anticipated increases in demand for people wishing to retrain and also for courses aimed at young people who had intended to enter either apprenticeships or work but were not able to do so.

Fig 3 Regional validated short and medium-term employment opportunities



- 3.12 **UHI has responded quickly and demonstrated huge flexibility and responsiveness to increase** the amount of blended learning and ensure that as many students as possible complete their courses successfully.
- 3.13 **This issue has been most challenging in further education courses which have a practical element.** Significant numbers of students had to have elements of their courses deferred until the next academic year. Despite this, in 2019-20 there was a only moderate dip in success rates for full time FE students (from 67.3% to 63.2%). **For students in 20-21 the university is considering ways to ensure that students who need access to on site facilities such as workshops are prioritised within the current lockdown rules and considering flexibilities that will allow this to happen.** There are over 4,000 FE students (across FT, PT, and apprenticeships) on affected courses.
- 3.14 **Regionally, Highlands and Islands Skills Leadership Forum continues to focus on key actions to address the skills challenges facing the region and provides a forum to align local planning and investment to benefit the region.** Since COVID19 there has also been an

intensification of collaborative working from the key regional education and skills partners (HIE, SDS, SFC and UHI), meeting every 6 weeks.

4. A GREEN RECOVERY RESPONSE TO THE LABOUR MARKET CRISIS

- 4.1 **The economic downturn and impact on employment resulting from COVID-19 requires a green recovery** – described in the Climate Change Plan Update as “our commitment to transition to net zero emissions in a way that is just, and that delivers a thriving, sustainable economy that works for all of us.”
- 4.2 The Scottish Government Economic Recovery Implementation Group focused on the need for “decarbonising and greening our economy” in the face of a global climate crisis which poses an imminent threat to our quality of life and wellbeing. The strategic response to recovery and renewal reinforces the need for a focus on jobs and skills to help us transition towards a greener, net-zero and wellbeing economy.
- 4.3 **The range of actions taken by partners to respond to the labour market crisis, link to and support recent strategic developments** such as the [Climate Emergency Skills Action Plan \(CESAP\)](#) and the [NatureScot Research Report - Supporting a green recovery: an initial assessment of nature-based jobs and skills](#) which informed the CESAP on nature based jobs, This will drive activity designed to both stimulate future regional skills demand and address labour market challenges and opportunities.
- 4.4 **Reaching the target of zero greenhouse gas emissions by 2045, with a 75% reduction by 2030, will require transformational change** across the economy and society, and will provide significant opportunities for:
- developing new, quality green jobs.
 - embedding green and circular economy skills.
 - increasing access to growing global green markets for businesses.
 - stimulating regional growth.
 - providing enhanced access to nature and the environment.
- 4.5 **Green jobs include those in renewable energy, the circular economy and zero waste, and the nature based sector with wider ‘green skills’** sitting on a spectrum ranging from highly specific requirements in sectors directly supporting the transition to net zero such as energy, transport, construction, agriculture, and manufacturing, through to more generic requirements across all sectors to thrive in a net zero economy.
- 4.6 **Nature-based sector can also stimulate employment and skills development and help contribute to Scotland’s transition to a net zero and wellbeing economy.** The increase in skilled jobs needed to meet long-term Scottish climate and biodiversity targets is a big opportunity for the Scottish wellbeing economy. NatureScot report on skills suggests that strategic action by a broad alliance of partners, within and across nature-based sectors, is needed to support the growth of a diverse, gender balanced, highly skilled workforce.



Fig 2. Jobs in Scotland's nature-based jobs sectors: (NatureScot Research Report: 2020)

4.7 **Significant further growth in nature-based jobs is anticipated on the back of expansion in activities required to meet our net zero targets.** Growth in jobs in nature-based sectors such as blue carbon, woodland planting and restoration and peatland restoration between now and 2030 is expected to be significant.

5. CURRENT AND PLANNED INVESTMENT

- 5.1 **Although the Job Retention Scheme has been extended the Highlands and Island remains on the cusp of an unprecedented unemployment crisis when furlough ends.** The Scottish Fiscal Commission forecast unemployment in Scotland could reach 7.6% in Q2 2021. In the Highlands and Islands, this could equate to just under 20,000 people.
- 5.2 **COVID19 and Brexit has brought the region's demographic challenges into even sharper focus** with evidence suggesting a greater impact on young people and on some of our more remote areas. We will need to focus on recovery, building resilience in our businesses and communities so they can be sustainable and grow, retaining and creating employment and attracting new population and investment.
- 5.3 **SDS Current Investment in skills.** Partnership working is at the centre of our response and engagement at a local level enables us to shape our delivery to meet local needs. To support people achieve career success and supporting businesses with their goals and growth, **SDS has invested £25m in the region in 2019/20**, including 2.9m in Argyll and Bute, £1.3m in Eilean Siar, £10.5m in Highland, £2.9m in Moray, £5.2m in North Ayrshire, £1.0m in Orkney and £.12m in Shetland, on our Careers Service, PACE and apprenticeships.
- 5.4 **SFC investment and support.** SFC allocate around £121m per year in total to support UHI, SMO and the network of colleges across the Highlands and Islands for delivery of key outcomes for the region. This is outlined in the respective Outcome Agreements from UHI and SMO. In addition, other HEI partners have commitments to deliver in partnership across the region on key research and development issues.
- 5.5 The funding covers core teaching funding, capital funding, research, and innovation funding, including Innovation Vouchers, widening access support, upskilling and workforce development funding, support for Gaelic language provision, digital provision, student support including specific funding for counsellors and mental health and well-being.

- 5.6 **HIE continue to offer a number of training and development programmes that will help employers and their staff learn new skills** and support the growth of their business including Leadership training in uncertain times programme for business leaders. Since 2019 HIE have also committed £1.75m in training aid to support employers in the region.
- 5.7 **NatureScot - In addition to investing heavily in the redevelopment of an internal Programme for Youth Employment** [£1,165,000 at a national level for 2021/22 to cover apprenticeships (graduate, modern, foundation and pathway), student and graduate placements, traineeships], **NatureScot is developing, with partners, an action plan to address some of the skills, youth employment and diversity issues raised in their recent report.** There will be a strong regional element to this work, which will focus in areas where nature-based sectors are significant in the local labour market.
- 5.8 **Scottish Forestry have established a new development programme based in the Highlands and Islands for Assistant Woodland Officers.** This is a new entry route to technical forestry roles within the organisation. This includes recruiting forestry students from the UHI, Scottish School of Forestry who work as part time Assistant Woodland Officers whilst studying gaining valuable experience, training, and development. To date seven school students have joined the programme.
- 5.9 **In partnership with Digital Boost and Business Gateway, VisitScotland is offering a series of webinars aimed at supporting the Scottish tourism industry, providing support and advice during the COVID-19 pandemic.** With topics including digital fundamentals, analytics for beginners, marketing tactics into 2021 and essential search engine optimisation, this series of webinars, part of our industry recovery support, are designed to help guide businesses and assist them in a successful start to the season.
- 5.10 **Inward Investment and Growth Deals - Additional regional investment could create more education, training, and employment opportunities.** Combined, the Argyll, Moray and Island deals has secured £235m of funding which partners predict will create significant number of jobs and unlock private investment. The Ayrshire Growth deal contains a number of projects that will benefit Ardrossan, Arran and Cumbrae including investment in Marine Tourism , Digital and a skills inclusion programme.
- 5.11 **HIE supported by SDS, continue to attract, and grow Inward Investment in the region with significant opportunities in the pipeline.**
- 5.12 **One impact of the pandemic has been the increase of homeworking. Combined with lower rates of Covid-19, this has improved the attractiveness of the Highlands and Islands, both UK wide and globally.** Partners are working with employers, investors, and individuals to increase homeworking opportunities in our region and this should play an increased role in future regional talent attraction and retention activity.
- 5.13 **Looking at the regions longer term skills and labour requirements, Net Zero, and Blue Growth provide new and major opportunities for recovery and growth.** The Highlands and Islands has a natural abundance of natural capital which gives the region a distinct competitive advantage in green economic activity. Much of the planned investment in skills is focussed on the blue and green economy.

- 5.14 **Aligned to the sectoral opportunities validated by partners, there is significant planned direct investment in skills infrastructure, education, and training.** Figure 4 below contains a snapshot of this investment, which **if agreed would total in excess of £120m across the Highlands and Island.** This mapping provides a regional overview of investment but is not exhaustive and does not include other significant investment in the region that will directly create employment and have skills requirements / implications.
- 5.15 **The outcome of this planned investment should be significant job creation over 3-5-year period and in the longer term see significant expansion and improvement of skills, training education and research infrastructure across the region,** aligned to the economic strengths of the region. More details of planned investment in the region with direct investment in skills is detailed in Annex A of this report.
- 5.16 **Future actions need to build on the current activities contained within this report** and focus on what else needs to be done to mitigate the worst effects of the expected rapid increase on unemployment and the impact on peoples' labour market choices as well as maximise the opportunities identified by partners.

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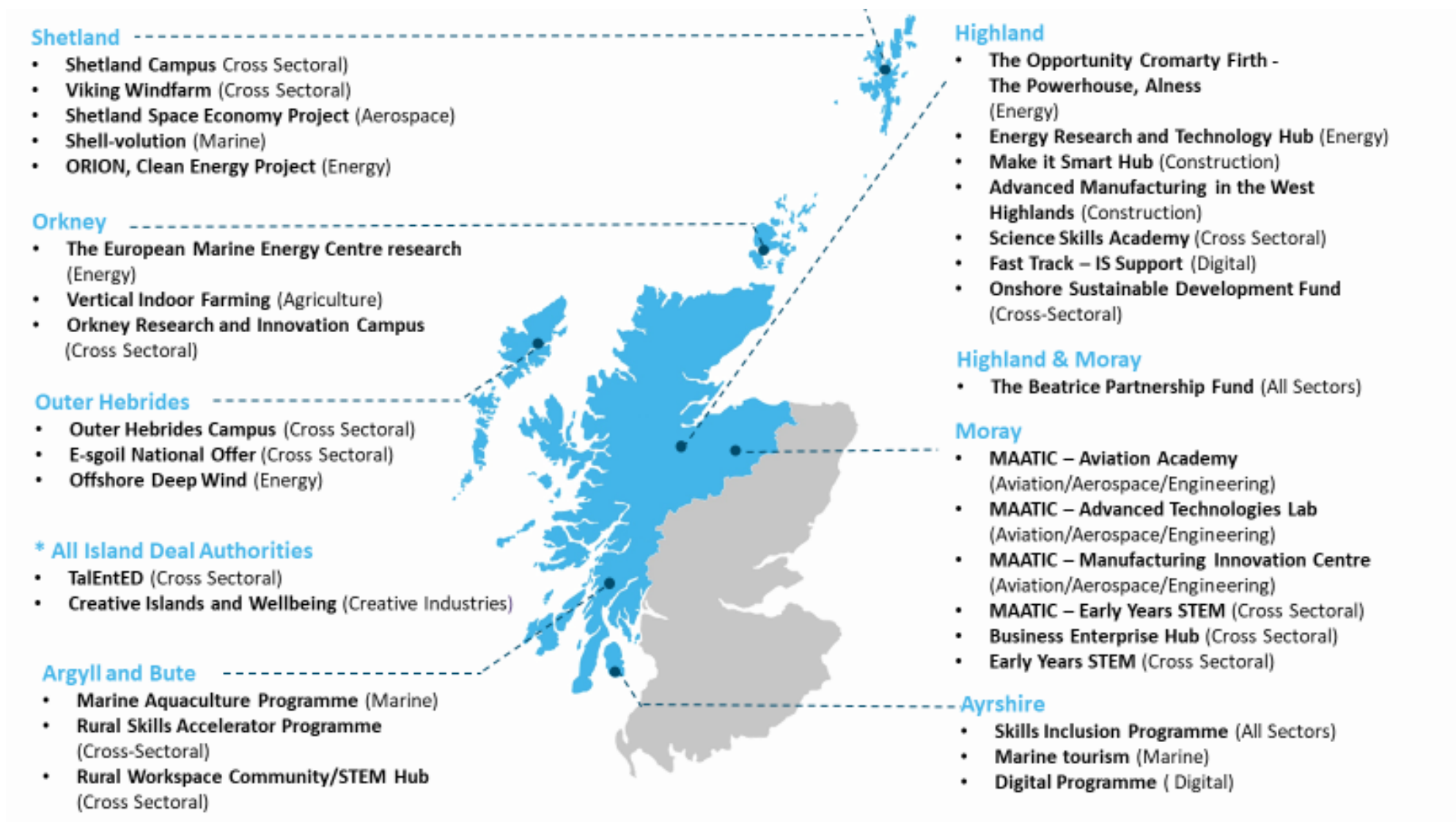


Fig 4. Mapping of Significant placed based planned investment in Skill

6. ACTIONS

6.1 Through the collaborative work undertaken by partners we have identified several key additional priority areas for 2021. These include:

- **Develop a greater understanding of employer short to medium-term recruitment needs, challenges, and the opportunities of homeworking.** Research is underway with a focus on the needs of employers in our rural communities and the findings will support Local Employability Partnerships to develop targeted interventions.
- Delivering revised education, training, and skills provision to **capitalise on short and medium-term employment opportunities** through **academic pathways; expanding work-based learning; develop and expand transition training and upskilling & reskilling within the workplace.**
- Continuing to **offer scaled up PACE support for those facing redundancy locally.**
- Reviewing the level of uptake for various UK, Scottish and Local Government support measures for businesses and people and **analysing labour market changes** to continue to respond to the **immediate crisis through collaborative local solutions.**
- **Review key actions from the Climate Emergency Skills Action Plan and NatureScot skills assessment** to integrate with Regional Skills Action Plan delivery.
- **Put in place appropriate measures to address population; attracting young working families; delivering on key enablers such as housing & digital.**
- **Continuing to focus on the Blue Economy, Renewable Energy, and other emerging sectors** as well as existing sectors which will require a short- and long-term approach to the changing nature of work and business models.

7. Key Discussion questions

- 1) **What more needs to be done to meet the immediate labour market and skills challenges?**
- 2) **As the scale of the labour market impact becomes clearer, how can we ensure our support is agile and meets the needs of individuals and employers?**
- 3) **Does the planned long-term investment in skills and training align with the predicted sectoral needs of our regional economy ?**

8. CALL TO ACTION

COHI members are invited to:

- Recognise the progress made since the last COHI meeting by Local Authorities and Partners to mitigate the impacts of the labour market crisis across the Highlands and Islands.
- Ask partners to support the key additional priority areas for 2021 outlined in the paper.

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Annex A: Mapping of significant placed based planned investment in skills.

	Area	Project	Investment	Funding Source	Lead partner	Opportunity Sector
1.	Argyll & Bute	Marine Aquaculture Programme	£15M	Growth Deal	UHI	Marine
<p><i>The overall aim of the programme is to make Argyll and Bute the leader for innovation in marine aquaculture in Scotland, UK and globally, through investment in world-class marine science and technology. It will create inter-woven partnership assets through the four proposed projects:</i></p> <ul style="list-style-type: none"> • <i>Marine Industry Training Centre – led by Argyll College UHI.</i> • <i>Centre for Seaweed & Shellfish Innovation Development – led by SAMS UHI.</i> • <i>Marine Industries Needs Assessment – led by HIE.</i> • <i>Macrihanish Innovation Campus – led by University of Stirling.</i> 						
2.	Argyll & Bute	Rural Skills Accelerator Programme	£6M	Growth Deal	Argyll & Bute Council	Cross-Sectoral
<p><i>The programme aims to provide the 21st century infrastructure and delivery mechanisms needed for skills, training, education, and enterprise to facilitate collaborative growth in the rural economy. This is made of four discrete projects. These are as follows:</i></p> <ul style="list-style-type: none"> • <i>A mobile STEM academy.</i> • <i>Skills for rural enterprise, economic growth and population rebalance.</i> • <i>Small business support programme.</i> • <i>Capital funding for Argyll College UHI.</i> 						
3.	Argyll & Bute	Rural Workspace Community/STEM Hub	£540K	Clyde Mission Fund	Argyll & Bute Council	Cross-Sectoral
<p><i>The creation of a rural workspace with open and flexible spaces with excellent digital capability, where people of all ages and abilities can collaborate, work, train (re-train and upskill) and learn.</i></p>						
4.	Highland	Opportunity Cromarty Firth The PowerHouse, Alness	Under Development	Opportunity Cromarty Firth	Port of Cromarty Firth	Energy
<p><i>New facility focussed on innovative applied research and development for floating offshore wind and green hydrogen technologies and a specialist educational hub for school students and adults interested in the renewables sector. The PowerHouse is one of five interlinked projects central to Opportunity Cromarty Firth's commitment to ensuring the Cromarty Firth becomes a strategic national renewable energy hub and capitalises on the multi-billion pound offshore wind projects being constructed in the region over the coming decades.</i></p> <p><i>Academic institutions involved in the project include UHI (who are hosting the PowerHouse), Offshore Renewable Energy Catapult, Censis, Interface, National Sub Sea Centre, NMIS, The Open University, Robert Gordon University, University of St Andrews.</i></p>						
5.	Highland	Energy Research and Technology Hub	Under Development	DSRL	North Highland College UHI	Energy
<p><i>The concept has with two main energy technology-related strands – battery research and development and provision of an R&D facility for use in support of decommissioning of the Dounreay.</i></p>						
6.	Highland	Make it Smart Hub	tbc	Advanced Manufacturing Challenge Fund	Inverness College UHI	Construction
<p><i>Aim to increase research and innovation in engineering manufacturing SMEs with a focus on Construction Manufacturing and Modern Methods of Construction. The Make it Smart Hub will operate throughout H&Is through multiple channels, responding to technological and geographical barriers.</i></p>						

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	<p><i>Its aim is to encourage construction SMEs to learn, apply and share new manufacturing technologies, processes, and skills, that improve productivity and drive inclusive growth. Services include:</i></p> <ul style="list-style-type: none"> • <i>Access to design and manufacturing equipment for demonstration, testing and training purposes</i> • <i>One-to-one business support and online/face-to-face CPD training opportunities</i> • <i>Construction and manufacturing showcase events and workshops</i> • <i>Access to collaborative R&D expertise in construction and manufacturing</i> • <i>Networking and challenge/matchmaking events</i> • <i>Innovation project support</i> 					
7.	Highland	Advancing Manufacturing in the West Highlands.	£1.6M	Advanced Manufacturing Challenge Fund	West Highland College UHI	Construction
	<p><i>The project is for SMEs across all sectors and will provide access to advanced manufacturing technology for test and demonstration purposes and expertise in a sandpit environment. It will support SMEs to innovate and grow their businesses by adopting new technologies and improving processes. Services include:</i></p> <ul style="list-style-type: none"> • <i>Advanced manufacturing workshops</i> • <i>Overcoming challenge events</i> • <i>Knowledge and skills support</i> 					
8.	Highland	Science Skills Academy	£3M	City-Region Deal	HIE	Cross-Sectoral
	<p><i>The Science Skills Academy aims to transform delivery of STEM/D education through developing a network of learning centres and Newton Rooms which allows for practical and hands-on teaching of STEM/D subjects, working with schools, employers and families to provide exciting and stimulating activities that engage young people and make them aware of the new opportunities coming their way.</i></p>					
9.	Highland	Fastrack – IS Support	Under Development	UHI/SDS	Inverness College UHI	Digital
	<p><i>Fast Track into IS Support is under development and will be a short duration work-readiness course which will provide the skills required for IS service desk roles. This is being driven by the significant expansion and recruitment demand of Cap Gemini in Inverness and Nairn.</i></p>					
10.	Highland	Onshore Sustainable Development Fund	£10M	SSE Renewables	Charitable trust	Cross-Sectoral
	<p><i>Through the SSE Renewables Community Investment Funds over £2m (11% of all community funding in region) has been invested so far in skills in the Highlands. To date support includes:</i></p> <ul style="list-style-type: none"> • <i>£400k to UHI to support the creation of a STEM Hub for primary schools across the Highlands.</i> • <i>Providing £102K to Farmer Jones Academy to help the growth of their provision in Sutherland.</i> • <i>Funding £47K to New Start Highland to provide a new training academy in Inverness.</i> <p><i>This fund has also supported establishing apprenticeship projects in the Great Glen and Sutherland supporting on average 25 apprentices a year. These programmes have a focus on micro businesses and ensuring local areas have the retention of key skills and services and enabling young people to stay in their local area.</i></p>					
11.	Highland and Moray	The Beatrice Partnership Fund	£600k	SSE Renewables	charitable trust	All Sectors
	<p><i>The total value of the Beatrice Partnership Fund is £3m, split between Highland (£2m) and Moray (£1m). It has been disbursed over a five-year period from 2017 to 2021. The current round of funding includes £400k in the eligible Highland areas, and £200k in Moray, support is given to projects across the regions which Create opportunities for skills and employment.</i></p>					

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12.	Moray	MAATIC - Aviation Academy	Total MAATIC £26M capital investment	Growth Deal	Moray College UHI	Aviation Aerospace Engineering
<i>An Aviation Academy which will house an operational Boeing 737 and provide a full range of training in engineering, maintenance, piloting, and air crew to provide the skills needs of existing and new employers.</i>						
13.	Moray	MAATIC - Advanced Technologies Lab	Total MAATIC £26M capital investment	Growth Deal	Moray College UHI	Aviation Aerospace Engineering
<i>An Advanced Technologies Lab with specialist links to Aviation, which will advance research, engineering, and innovation, and build on existing research conducted by the UHI.</i>						
14.	Moray	MAATIC - Manufacturing Innovation Centre	Total MAATIC £26M capital investment	Growth Deal	HIE	Aviation Aerospace Engineering
<i>A Manufacturing Innovation Centre which will support Moray-based businesses through the provision of a multi-disciplinary space for knowledge exchange, research, and consultancy.</i>						
15.	Moray	MAATIC – Early Years STEM	Total MAATIC £26M capital investment.	Growth Deal	Moray College UHI	Cross-Sectoral
<i>Events and showcasing facilities: STEM promotion to the community, including a link with the Early Years STEM project.</i>						
16.	Moray	Business Enterprise Hub	£7.3M	Growth Deal	HIE	Cross-Sectoral
<i>An adaptable space for business innovation that is accessible, supporting scale-up of existing small and micro-businesses, as well as providing support to start-ups, university spinouts and inward investors.</i>						
17.	Moray	Early Years STEM	£4.8M	Growth Deal	Moray Council	Cross-Sectoral
<i>A pilot scheme to deliver flexible indoor and outdoor spaces across Moray to attract and enable young children (3-8 years old) and their parents to take part in STEM learning activities. Strong links to be established with the Science Skills Academy in Inverness.</i>						
18.	Ayrshire	Skills and Inclusion Programme	£8.5M	Growth Deal	North Ayrshire	Cross-sectoral
<i>The Skills and Inclusion Programme of the AGD includes the Ayrshire Skills Investment Fund, a responsive skills fund to support inclusive growth, and Working for a Healthy Economy, a single access point for all to access focused health support. Alongside this a £3 million Community Wealth Building Fund to support the development of resilient, inclusive local economies with more local employment. The skills programme is Ayrshire wide but will support proposed developments in North Ayrshire that will provide significant job opportunities around the I3 Digital Processing Manufacturing Centre, I3 Flexible Space, the Hunterston Strategic Development Area, the International marine Science and Environment Centre, The Great Harbour - Irvine harbourside and Ardeer and Marine Tourism.</i>						
19.	Ayrshire	Marine Tourism	£9.5M total project – Skills tbc	Growth Deal	North Ayrshire	Marine
<i>The Scottish Government Marine tourism investment at Ardrossan, Arran and Cumbrae will showcase the potential of the Clyde coast region as an inclusive and accessible place for active leisure, through the expansion of Ardrossan marina to be one of the largest marinas in Scotland, and the development of transit marinas at Arran and Cumbrae.</i>						
20.	Orkney	The European Marine Energy Centre- new research	£13.3M	Scottish Government	European Marine Energy Centre (EMEC)	Energy

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	<i>EMEC has secured a contract to carry out the study alongside French engineering firm INNOSEA and London-based Renewables Consulting Group to examine the technical status of the two technologies and identify ways that collaboration can be encouraged to address challenges of mutual interest.</i>					
21.	Orkney	Vertical Indoor Farming	Heads of Terms tbc	Island Deal	Orkney College UHI	Agriculture
	<i>Focussed on agricultural innovation, this project creates an Islands' Vertical Farm with associated research and development laboratories and business incubation facilities.</i>					
22.	Orkney	Orkney Research and Innovation Campus (ORIC2)	Heads of Terms tbc	Island Deal	Orkney Research & Innovation Campus	Cross-Sectoral
	<i>Expansion and upgrading of buildings and facilities at the Orkney Research and Innovation Campus (ORIC) in Stromness. ORIC currently hosts the European Marine Energy Centre (EMEC) and Heriot Watt's International Centre for Island Technology, Robert Gordon University and a cluster of renewable energy service and systems-related businesses which have greatly helped to establish Orkney's reputation as an international centre of excellence for collaborative</i>					
23.	Outer Hebrides	Outer Hebrides Campus	Heads of Terms tbc	Island Deal	Lews Castle College UHI	Cross-Sectoral
	<i>Redevelopment of campus estate and dispersed training facilities of Lews Castle College UHI, including the Stornoway campus, mobile skills training facilities for use at learning centres in Uist/Barra and the establishment of immersive technology classrooms.</i>					
24.	Outer Hebrides	Eilean Siar Deep wind	Heads of Terms tbc	Island Deal	Shetland College UHI	Cross-Sectoral
	<i>Significant opportunities currently being explored relating to Scot Wind Leasing, Isle of Lewis Development Plan Options for potential floating / fixed wind sites, BIFAB in Arnish and the Stornoway Port Authority Masterplan, which in addition to job creation have a derived skills and training demand that could be met locally.</i>					
25.	Shetland	Shetland Campus	Heads of Terms tbc	Islands Deal	Shetland College UHI	Cross-Sectoral
	<i>Upgrading and enhancing the learning facilities in Shetland's colleges capable of providing flexible learning opportunities to meet the needs of 21st century learners, employers, businesses, and communities.</i>					
26.	Shetland	Viking wind farm	£8M	SSE Renewables	Shetland Community Benefit Fund	Cross-Sectoral
	<i>Viking wind farm will be a 103-turbine, 443MW onshore wind farm on the remote Shetland Island and will be the UK's largest onshore wind farm in terms of annual electricity output. It is expected that over 400 jobs will be created during construction with multiple supply and sub-contract opportunities for local businesses. In addition a community benefit fund of around £55.4m (£70m when indexed) over the 25-year lifetime will be invested locally including up to £8M for skills.</i>					
27.	Shetland	Shetland Space Economy Project	Tbc	Shetland Island Council	Tbc	Aerospace
	<i>This project aims to achieve cohesion in the approach adopted by Shetland in engaging with key national and international stakeholders who wish to do business here and engage with the supply chain service providers. One of the subgroups is in Education and Employment.</i>					

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28.	Shetland	Shell-volution	Heads of Terms tbc	Island Deal	UHI	Marine
<i>Shell-volution will enhance production intelligence by facilitating a unique matrix of exciting collaborative research and innovation strands. Capacity and capability will be developed in the Island's tertiary education sector, whilst simultaneously transforming and evolving the shellfish sector into a knowledge-based economy.</i>						
29	Shetland	ORION, Clean Energy Project	Tbc	Various funding	Shetland Isles Council	Energy
<i>Enable offshore oil & gas sector transition to net zero by electrification, utilizing onshore and offshore wind, sustaining thousands of jobs & securities of supply, Create on Shetland a green hydrogen export business at industrial scale by harnessing offshore wind power and creating new jobs.</i>						
30.	Islands	TalEntED	Heads of Terms tbc	Island Deal	UHI/RGU/SIC/HWU	Cross-Sectoral
<p><i>This programme will support universities on the Islands to develop new approaches that will be built into long-term provision aligned to need and addressing demographic challenges and outmigration of young people. Current projects under consideration:</i></p> <ul style="list-style-type: none"> • <i>Innovative Islands Work Based Learning Model – led by UHI.</i> • <i>Islands Entrepreneurship Network – led by RGU.</i> • <i>Innovative Intrapreneurship Programme – led by Shetland Island Council.</i> • <i>Islands Innovation Commercialisation programme – led by Heriot Watt University.</i> 						
31.	Islands	Creative Islands and Wellbeing	Heads of Terms tbc	Island Deal	Tbc	Creative Industries
<i>Capital funding would be used to support the development and enhancement of Island-specific creative infrastructure, including an inter-connected chain of creative and cultural hubs in the main Outer Hebrides Islands; a new creative centre and residency facilities linked to the internationally renowned Pier Arts Centre in Orkney, and a creative industries centre in the Knab redevelopment in Shetland.</i>						