

## CONVENTION OF THE HIGHLANDS AND ISLANDS – MONDAY 4 MARCH 2019

### MAXIMISING THE MARINE ECONOMY OF THE HIGHLANDS AND ISLANDS (MAXiMAR)

COHI members will receive a presentation from HIE that provides the overview of the MAXiMAR Consortium and the findings of the recent Science & Innovation Audit (SIA). The final draft report is appended to this paper. The action plan below gives an update on progress as the marine economy has been identified by COHI as a key priority.

The report focusses on three of the key sectors of the marine economy which are most specialised in a UK context – ie. sectors whose activities we can claim **primarily** take place in the Highlands & Islands – aquaculture, wave & tidal energy, and marine biotechnology – and that our region displays unique characteristics that help to root the activities here. This does not mean that other marine sectors are not important, but simply that fisheries, marine tourism, oil & gas, for example, happen elsewhere too.

The findings are being used by the MAXiMAR Consortium to drive forward a set of actions. The Consortium is made up of regional and Scottish organisations, with bodies that represent industry groupings such as EMEC, the Scottish Aquaculture Innovation Centre, and the Industrial Biotechnology Innovation Centre providing the industry voice. It also includes three universities that have a presence in our region – UHI, Heriott Watt, and the University of Stirling. The Consortium was set up in October 2017 and is now a well established group, however, the next set of actions will require strong regional collaboration with local authorities and others based in the Highlands and Islands.

On the back of the report, the Consortium has submitted a funding bid worth £46m to the UKRI (the recently formed organisation combining Innovate UK and the national Research Councils) under the new Strength in Places Fund. Success in building a business case for the clever use of this funding would be a game changer for the region. We are now 4 months overdue an anticipated response on the Fund. However, regardless of the outcome, the activities included in the bid will be embraced by the Consortium, and its wider partners, and we invite COHI members to consider how we can work together to optimise the region's highly valuable and innovative marine economy.

Morven Cameron

Highlands & Islands Enterprise

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### MARINE

<b>Project work strand:</b>	Maximising the Marine Economy of the Highlands & Islands (MAXiMAR)
<b>Project lead:</b>	Highlands and Islands Enterprise (Morven Cameron)
<b>Project team members:</b>	The MAXiMAR Consortium is led by HIE and includes UHI, Scottish Aquaculture Innovation Centre (SAIC), Industrial Biotechnology Innovation Centre (IBioIC), Marine Scotland, SAMS/UHI, Heriot Watt University, University of Stirling, MASTS, Wave Energy Scotland, EMEC and the National Oceanographic Centre. A regional team is yet to be established.
<b>Project aim/purpose:</b>	<p>The Highlands and Islands is at the forefront of the development of the marine economy with its abundance of natural marine resource, major test and demonstration infrastructure, and strong science and innovation foundations. Global aquaculture, marine biotechnology and wave &amp; tidal industries, amongst others, are seeking locations to research, test and demonstrate new technologies in the marine environment, and the Highlands &amp; Islands will develop its key strengths to position itself as the most desirable international location. We will develop the key ingredients of scientific knowledge, state-of-the-art equipment and facilities, technical support, business investment, a skilled workforce, and attractive incubation and touchdown space for businesses, and become <b>recognised internationally as the Innovation Region for Marine technologies</b>. In doing so, as well as generating increased economic value to Scotland, the people and communities of the Highlands &amp; Islands will enjoy economic gain through the growth and sustainability of jobs; new investments in key regional infrastructure; and direct benefit from the users of our marine and coastal assets.</p> <p>The aim is to develop a strategy for optimising the marine economy in the region through working in partnership and focussing on key marine-related sectors especially Aquaculture, Marine Biotechnology and Wave &amp; Tidal energy. This strategy is being largely informed by the UK Govt sponsored Science and Innovation Audit (SIA) which was completed at the end of June 2018, but is yet to be published by the UK Govt. <b>It is hoped that we will have an official launch of the SIA in the region as soon</b></p>

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	<p><b>as it is released by the Department of Business Energy and Industrial Strategy. See the final draft attached.</b> It has identified 4 specific targeted opportunities:</p> <ol style="list-style-type: none"> <li>1. Create a regional cluster model for marine innovation, technology &amp; skills through:             <ol style="list-style-type: none"> <li>A. Workforce development</li> <li>B. A Marine economy innovation infrastructure plan</li> <li>C. Scaling and alignment of science, regional and industry</li> </ol> </li> <li>2. Address challenges associated with routes to market – identifying new markets etc</li> <li>3. Refresh planning &amp; regulation framework</li> <li>4. Develop a regional marine economy prospectus</li> </ol>			
<p><b>Project plan:</b></p>	<p>The Consortium is now working towards delivery of the targeted opportunities and a detailed action plan is under development. Co-inciding with the finalisation of the SIA report, the UK Government launched a new Strength in Places Fund through UKRI. The MAXiMAR Consortium was quick to respond and in July it submitted a bid for £46m which seeks investment in Research capacity and capability; enabling test and demonstration infrastructure; and Business R &amp; D funding – as follows:</p> <div style="text-align: center; margin: 20px 0;"> <p style="text-align: center;"><b>Research Investment Programme</b> (inc. Marine Data Hub &amp; Marine Governance Unit) £11.5m</p> <table style="margin: auto; border: none;"> <tr> <td style="border: none; padding: 5px;"> <p style="text-align: center; font-size: small;">Multi-Use Offshore Test and Demonstration Site £7m</p> </td> <td style="border: none; padding: 5px;"> <p style="text-align: center; font-size: small;">Marine Biotechnology Centre £5m</p> </td> <td style="border: none; padding: 5px;"> <p style="text-align: center; font-size: small;">Aquaculture Technology and Innovation Infrastructure £7.5m</p> </td> </tr> </table> <p style="text-align: center;"><b>Marine Technology Accelerator Fund</b> £15m</p> </div>	<p style="text-align: center; font-size: small;">Multi-Use Offshore Test and Demonstration Site £7m</p>	<p style="text-align: center; font-size: small;">Marine Biotechnology Centre £5m</p>	<p style="text-align: center; font-size: small;">Aquaculture Technology and Innovation Infrastructure £7.5m</p>
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	<p>There has been a significant delay in confirmation of which SIFP bids will proceed to stage 2 – we understand that 3 of these may be from Scotland. <b>Regardless of the success of the SIFP bid</b>, this multi-faceted project plan will form the blueprint for the MAXiMAR action plan. In support of the above, the Consortium will:</p> <ul style="list-style-type: none"> <li>➤ host multi-sector industry gatherings to determine industry challenges and technological needs and identify routes to market</li> <li>➤ work with SDS and SFC to map the skills and education provision of the marine economy relative to the needs of the Highlands &amp; Islands economy and recommend steps to scale up this activity in the region</li> <li>➤ carry out an infrastructure assessment of all key regional assets that support marine innovation, and use this information to inform investment decisions</li> <li>➤ develop a collaboration of marine innovation organisations across the region to ensure a strong, joined up offer (prospectus) is visible to global marine industries for testing and demonstration of new technologies</li> <li>➤ through Marine Scotland and partners, work to address the challenging planning and regulatory environment to support the acceleration of these three sectors</li> <li>➤ develop a strong university collaboration that supports the marine innovation requirements of the region/Scotland.</li> <li>➤</li> </ul> <p>In addition, we are working with Scottish contacts to inform a national marine economic strategy for Scotland</p>
<p><b>Project timetable:</b></p>	<p>February/March 2019 ?– launch of SIA in both H &amp; I and London</p> <p>May 2019 –12th MAXiMAR Consortium meeting to agree future actions</p> <p>Ongoing consultation with COHI partners and industry regarding the Action Plan</p> <p>March 2019 onwards – implement Action Plan</p>
<p><b>Risk register:</b></p>	<p>To be further developed however, top level risks are:</p> <ol style="list-style-type: none"> <li>1. The impact of the SIA is not sufficient enough to attract Scottish and UK interest or support</li> <li>2. Regional Deals in the Islands and Argyll are not fully aligned with marine innovation ambitions</li> <li>3. Partner resources are limited resulting in not delivering the ambitions of the action plan</li> </ol>

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	<p>4. The relative impact of the marine economy in the H &amp; I is not recognised in a Scottish or UK context</p> <p>5. Fail to mobilise the level of regional support for the potential to maximise the marine economy</p>
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