

Memorandum of Understanding

among

Highlands and Islands Enterprise

hub North Scotland Limited

Nuclear Restoration Services Limited

The Highland Council

And

University of The Highlands and Islands North, West and Hebrides

Subject: Thurso Lifelong Learning & Innovation District

Context

Thurso stands at a moment of opportunity. The Highland Council's £100 million Highland Investment Plan commitment for a Thurso Community Point of Delivery coincides with UHI North, West and Hebrides Thurso (UHINWHT) need to expand skills provision through estate renewal and to strengthen research capacity, including the proposed North Highland Innovation Centre. At the same time, Dounreay Nuclear Restoration Services (NRS) is considering transitioning part of its workforce off the nuclear licensed site, creating new demand for office, collaboration, and training space.

Taken together and coordinating with other activities across Thurso, these developments create a once-in-a-generation opportunity to reshape the economic future of the town and the wider North Highlands. Work undertaken by the council and UHINWHT, supported by hub North Scotland, has explored how these ambitions could be brought together through an integrated Lifelong Learning Innovation District.

Leaders from the UHINWHT, council, NRS, and Highlands and Islands Enterprise (HIE) agree that a shared ambition and collective commitment need to be formalised within a Memorandum of Understanding. With that alignment, the programme can move beyond estate replacement and become a genuine regional transformation initiative rooted in economic development, skills reform, and innovation.

The objective is not simply to replace ageing buildings or renew school infrastructure. It is to position Thurso as a North Highland growth engine. By integrating secondary education, college, and university provision, community facilities and an innovation centre within a single district, the campus becomes a platform for coordinated investment and long-term economic resilience.

The integration, coordination, and connection of the requirements of the council, UHINWHT, and Dounreay also creates and supports a long-term programme of place-based investment across Thurso, initially focusing on local energy and construction projects, which would:

- Stabilise depopulation and support repopulation through improved education and employment pathways
- Create infrastructure efficiencies
- Extend the life of all assets across the town
- Secure significant additional inward investment
- Take people out of fuel poverty and extreme fuel poverty
- Reduce town-wide carbon emissions
- Maximise the use of clean energy
- Create revenue generation opportunities for the community and public sector
- Maximise community wealth building

A central pillar of the model is eliminating unnecessary duplication across the learner journey and creating local positive destinations for people to transition into high-quality employment. Overlaps between school and college provision in workshops, hospitality kitchens, health and beauty facilities, ICT suites and science laboratories present an opportunity to rethink delivery. Rather than replicating facilities, shared specialist zones could serve multiple age groups and qualification levels. Integrated construction and craft hubs, enterprise-focused hospitality facilities, STEM and laboratory clusters and digital studios would enable clearer 14 to 24 progression pathways. The result would be a better use of capital investment, higher utilisation of specialist equipment and faster learner progression into skilled employment. This integration strengthens the case for Scottish Government support by combining efficiency, curriculum reform, and innovation within one coherent programme.

The North Highland Innovation Centre is the critical anchor. It must not sit alongside the campus as a separate initiative but be embedded within it. The centre would support large-scale regional projects, drive low-carbon innovation, attract specialist talent and create pathways for SME growth. It would anchor research relocation, provide flexible laboratory and collaboration space, support Dounreay workforce transition and incubate spinouts and start-ups. Crucially, it would connect school pupils and college learners to live research and industry activity, embedding aspiration and relevance throughout the curriculum.

In practical terms, the Innovation Centre would bring together applied research laboratories focused on energy systems, decommissioning innovation, environmental monitoring and circular economy technologies, alongside incubation space, technical support and areas for industry collaboration. A skills accelerator element would support graduate programmes, apprenticeships and micro-credentials linked to renewable energy and advanced engineering. Without this anchor, the campus risks being viewed as a rationalisation of the estate. With it, the district becomes a visible innovation hub linking education, research, industry, and public services.

The potential relocation of NRS staff strengthens this proposition. Demand for office space, training facilities and potential laboratory use, the need for upskilling and the risk of knowledge loss create both urgency and opportunity. A flexible laboratory infrastructure that serves the Innovation Centre functions while supporting applied decommissioning research would reduce duplication and ensure long-term adaptability. This approach aligns with the wider NRS interests and positions Thurso as a centre of excellence in transition-related innovation.

There is scope to integrate NHS Highland and other public sector partners through shared facilities such as health simulation spaces, allied health training and community wellbeing services. Combined with a campus-wide energy centre designed as a living laboratory incorporating district heating, the district would embody Net Zero principles in both operation and training.

Estate renewal, including the replacement of the underperforming 1960 tower block with shared flexible, low-carbon teaching space, becomes an enabler of this wider ambition rather than an end in itself.

Delivery will require strong governance and a clear funding narrative. A strategic alignment board comprising the UHINWHT, council, NRS, HIE, and industry representation should agree on programme parameters, followed by focused workstreams on curriculum reform, innovation integration and estate strategy.

Engagement with the Scottish Government should emphasise the added value of an integrated Lifelong Learning and Innovation District compared with a standalone Community Point of Delivery, supported by co-investment, estate efficiencies and alignment with just transition and Net Zero priorities.

It is not that we need a new school and a refurbished campus. It is that we are creating Scotland and the UK's first integrated Lifelong Learning and Innovation District, linking education, research, industry and public services to drive long-term economic transformation and repopulation.

Memorandum of Understanding

among

- 1 **Highlands and Islands Enterprise**, established as an executive non-departmental public body of the Scottish Government by the Enterprise and New Towns (Scotland) Act 1990 and having its principal place of business at An Lochran, 10 Inverness Campus, Inverness, IV2 5NA (“**HIE**”);
- 2 **Hub North Scotland Limited**, incorporated under the Companies Acts (Registered Number SC390666) and having its registered office at 2nd Floor 2 Lochside View, Edinburgh, Scotland, EH12 9DH (“**hubco**”);
- 3 **Nuclear Restoration Services Limited**, a wholly owned subsidiary of the Nuclear Decommissioning Authority, company registration number 02264251, registered office address Hinton House, Birchwood Park Avenue, Risley, Warrington, WA3 6GR (“**NRS**”);
- 4 **The Highland Council**, a local authority constituted under section 2 of the Local Government etc. (Scotland) Act 1994 and having its principal offices at Glenurquhart Road, Inverness IV3 5NX (“**THC**”); and
- 5 **University of The Highlands and Islands North, West and Hebrides** incorporated under the Companies Act (Registered Number SC148203) and being a charitable body registered in Scotland under registration number SC021215 and having its registered office at Ormlie Road, Thurso, Caithness, KW14 7EE .

This Memorandum of Understanding (“**MoU**”) refers to the University of the Highlands and Islands North, West and Hebrides as the University of the Highlands and Islands North, West and Hebrides Thurso (“**UHINWHT**”)

(each a “**Party**” and together the “**Parties**”).

IT IS AGREED AS FOLLOWS:

6 Purpose

The purpose of this MoU is to set out the terms on which the Parties intend to work in partnership to establish a Lifelong Learning and Innovation District in Thurso on the existing education land owned by UHINWHT and THC.

7 Duration

This MoU will cover a period of 5 years from the last date of signing, unless terminated earlier by the mutual agreement of the Parties in writing.

A review will be completed in December 2026, ensuring that the vision and objectives remain relevant. A review will be undertaken if there is a material change and or event before this date.

8 Vision

The vision of this MoU (the “**vision**”) is:

A thriving, growing, and diversifying economy, supported by partnership working that unlocks opportunities and creates high-quality education pathways, increased inward investment, and high levels of employment across a variety of sectors, with the overall aim of improving people’s lives.

9 Objectives

The objectives of this MoU (the “**Objectives**”) are to:

- 9.1 THC and UHINWHT commit to developing principles of a combined learning strategy for all learners by August 2026, tailored to positive destinations and outcomes

Desired output

- 9.1.1 Clearer articulation of the learner journey and how this can be improved to address the unique challenges and opportunities presented
- 9.1.2 An understanding of how accommodation and spaces can be integrated across the Community Point of Delivery (PoD) and UHINWHT, avoiding unnecessary duplication
- 9.1.3 A clear narrative to secure investment in both the Community PoD and UHINWHT as a Lifelong Learning and Innovation District
- 9.1.4 An Investment Prospectus to engage ministers and seek inclusion of the Lifelong Learning and Innovation District within a future Programme for Government

- 9.2 All partners commit to developing and coordinating their infrastructure requirements, ensuring that all co-location and integration opportunities are considered by December 2026

Desired output

- 9.2.1 Greater alignment across partners
- 9.2.2 Ensures consideration of infrastructure efficiencies
- 9.2.3 Potential for inclusive and efficient use of accommodation

- 9.3 All partners commit to actively interfacing, supporting, and aligning their investments to maximise the Thurso asset and energy masterplan, which will be developed by November 2026, ensuring that public sector investment and disinvestment enable additional inward investment from the private and public sector to deliver long-term economic growth at a reduced lifecycle cost for all

Desired output

- 9.3.1 Plans and actions that create and improve education and employment pathways through the delivery of a coordinated programme of significant construction and energy projects over a 20-year horizon through:
 - Creation of a Lifelong Learning and Innovation District
 - New Dounreay NRS offices that could be co-located at the Lifelong Learning Innovation District
 - Multi-phases of the local heat network
 - Multi-phases of housing retrofit at scale
 - Community and public sector renewable energy projects
 - Private sector onshore and offshore energy projects
 - Delivering more social and affordable homes
- 9.3.2 Plans and actions to lower energy bills by supporting the delivery of:
 - Multi-phases of the local heat network
 - Housing retrofit at scale
 - Maximising public and community land and rooftops for energy generation
 - Better deployment of curtailed wind for community benefit
 - Social Energy Tariffs

- 9.4 Develop a synthesised Thurso benefits realisation plan by December 2026 that brings together all anchor partner investment needs, strategic goals, and objectives and how these unlock wider opportunities

Desired output is a tool

9.4.1 That supports delivery

9.4.2 Leverages inward investment

9.4.3 Used for engagement and consultation with all stakeholders

10 **Roles and Responsibilities**

10.1 HIE will:

10.1.1 Be represented on the Lifelong Learning and Innovation District board in a support function

10.1.2 Through its funding support to Focus North, Focus North will provide a secretariat function

10.1.3 Provide advice and support on how to target inward investment to support delivery

10.1.4 Support engagement with the Scottish Government

10.2 hubco will:

10.2.1 Be represented on the Lifelong Learning and Innovation District board in a support function

10.2.2 Be directed by partners on the priority actions that need to be taken forward that require support

10.2.3 Not make decisions on behalf of the partners – our role is a supporting role only. We will actively engage, challenge from time to time, and put forward thoughts and ideas for partners to consider.

10.2.4 Provide advisory support to the partners as outlined within the partnering proposal:

- Project Management
- Education and learning support
- Testing infrastructure efficiency concepts
- Investment Prospectus
- Ministerial engagement support
- Asset and energy master planning
- Benefits Realisation

10.2.5 Provide advice and support on how to target inward investment to support delivery

10.2.6 Support engagement with the Scottish Government

10.3 NRS will:

10.3.1 Have a formal role on the Lifelong Learning and Innovation District board in a leadership function

10.3.2 Through its funding support to Focus North, Focus North will provide a secretariat function

10.3.3 Develop their office business case, adopting place principles, and explore all opportunities for integration and co-location with other partners in Thurso

- 10.3.4 Develop the office business case to maximise the opportunities to connect with partners and unlock wider investment, education, and employment opportunities in Thurso
- 10.3.5 Support engagement with the Scottish Government
- 10.4 THC will:
 - 10.4.1 Have a formal role on the Lifelong Learning and Innovation District board in a leadership function
 - 10.4.2 Develop their funded Community PoD project, adopting place principles, and explore all opportunities for integration and co-location with other partners in Thurso
 - 10.4.3 Develop the Community PoD to maximise the opportunities to connect with partners and unlock wider investment, education, and employment opportunities in Thurso
 - 10.4.4 Provide appropriate representation from the Education & Learning team in the development of the combined lifelong learning strategy
 - 10.4.5 Lead engagement with the National Learning Estate Investment Programme to secure funding for the Community PoD based on the unique opportunity of integration and co-location with UHINWHT
 - 10.4.6 Co-lead engagement with the Scottish Government
 - 10.4.7 Lead the asset and energy masterplan, including ways to secure inward investment for energy, retrofit
 - 10.4.8 Provide advice and support on how to target inward investment to support delivery
- 10.5 UHINWHT will:
 - 10.5.1 Have a formal role on the Lifelong Learning and Innovation District board in a leadership function
 - 10.5.2 Provide appropriate representation from the curriculum team in the development of the combined lifelong learning strategy
 - 10.5.3 Develop their UHINWHT business case, adopting place principles, and explore all opportunities for integration and co-location with other partners in Thurso
 - 10.5.4 Develop the UHINWHT project to maximise the opportunities to connect with partners and unlock wider investment, education, and employment opportunities in Thurso
 - 10.5.5 Co-lead engagement with the Scottish Government
 - 10.5.6 Provide advice and support on how to target inward investment to support delivery

11 **Co-operation and Collaboration**

Each Party agrees to:

- 11.1 work in a spirit of co-operation and collaboration;
- 11.2 perform their responsibilities with reasonable care, skill, and professionalism;
- 11.3 share information and resources as necessary to achieve the Vision and Objectives; and
- 11.4 engage with other stakeholders as appropriate to support the Vision and Objectives.

12 **Review and Monitoring**

- 12.1 The Parties shall set up a collaboration board to facilitate open discussions and develop strategies to achieve successful delivery of the Objectives (the “**Collaboration Board**”). The board will only be quorate if at least 1 representative from NRS, THC and UHINWHT is represented on the Collaboration Board.
- 12.2 The Collaboration Board shall meet monthly or as otherwise agreed among the Parties, and at such meetings, it will review the progress of this MoU to ensure that the Objectives are being met and make any adjustments as may be required.

13 **Confidentiality and Data Protection**

Each Party agrees to keep confidential any information that is designated as confidential and is disclosed during this MoU. This includes, but is not limited to, business plans, financial information and proprietary data. Confidential information shall not be disclosed to any third party without the prior written consent of the disclosing party, except as required by law (including pursuant to the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004).

The parties do not anticipate that the project will require the sharing of personal data for the duration of the project.

Any future requirement to share personal data relating to individuals outside those assigned to the administration of the project shall be subject to prior consultation with the respective Data Protection Officers and the establishment of appropriate safeguards.

14 **Nature of MoU**

- 14.1 This MoU is an expression of co-operation and collaboration and is not intended to be legally binding in its terms. Any specific projects or actions to be delivered pursuant to the collaboration arrangements contained in this MoU will need to be documented by way of formal legal documentation before such projects or actions become legally binding. The Parties also recognise that any specific projects or initiatives will be conditional on various matters, including governance approvals, statutory consents and satisfactory funding arrangements being put in place.
- 14.2 Nothing in this MoU shall be construed as creating a partnership or as a contract of employment between or among the Parties.
- 14.3 No Party shall be or be deemed to be an agent of any other Party, and no Party shall hold itself out as having authority or power to bind any other Party in any way.

15 **Amendments**

This MoU may be amended or modified only by a written agreement signed by all the Parties following reasonable and timely negotiations. Any amendments or modifications shall be effective from the date of signing by the Parties and shall be attached to the MoU as an addendum. Any of the Parties may terminate this MoU upon receipt of one month's notice in writing.

IN WITNESS WHEREOF, these presents consisting of this and the preceding 7 pages are executed as follows:

Executed for and on behalf of **Highlands and Islands Enterprise**

by

Director/Attorney
Full Name of Signatory (Please Print)

on

Executed for and on behalf of **Hub North Scotland Limited**

by

Proper Officer
Full Name of Signatory (Please Print)

on

Executed for and on behalf of **Nuclear Restoration Services Limited**

by

Authorised Signatory
Full Name of Signatory (Please Print)

on

Executed for and on behalf of **The Highland Council**

by

Authorised Signatory
Full Name of Signatory (Please Print)

on

Executed for and on behalf of **University of The Highlands and Islands North, West and Hebrides**

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on