

Supply Chain & Cluster group.

Workstream Lead: Stephen Thompson

Deputy Co-Leads: Gillian Morrison HIE, Ian McDonald SE

Objectives-overview

- **Supply Chain Leadership**

Main Objective

Lead the transformational development of a world class Scottish supply chain to 2030 and 2050.

- **Capabilities**

Main Objective

Support the creation of a Scottish Floating Offshore Wind Port Cluster. Support Scottish suppliers to bid competitively and secure contracts.

- **Tendering**

Main Objective

Seek to influence government, policymakers, developers and tier 1s to enhance the offshore wind contracting system to increase visibility of opportunity and investor confidence, as well as a more equitable distribution of risk between tier 1s and their subcontractors by the introduction of various software platforms, now being evaluated, to enable competitive bidding and secure contracts.

- **Exports**

Main Objective

Increase Scottish supply chain access to export markets by creation of greater visibility of opportunity and targeted business development activities utilizing local in-country support. Maintain a real time database of relevant overseas opportunities.

- **Clusters**

Main Objective

Interface and provide strategic guidance to the Scottish offshore wind clusters

Targets - Supply chain and Clusters Group

1) Lead the transformational development of a world class Scottish supply chain to 2030 and 2050.

Targets

- A rapid increase in economic value that redresses the imbalance between Scottish supply chain competitiveness and lack of market penetration, compared to other UK/European suppliers.
- Strive to maximise benefits for communities through enhanced environmental, social and economic ambition, ensuring a just transition, especially focusing on transitioning skills from other industries like oil & gas.
- Target increased levels of inward investment for innovative manufacturing and service provision
- Set a target for increasing local contents throughout the Scottish Supply Chain and set up a system to monitor progress.

Deliverables (Timing for all: end 2022)

- Establish a collaboration framework around roles and responsibilities, with all major stakeholders to build confidence throughout the supply chain and secure investment and growth.
- Act upon the recommendations in the BVGA/SIA and Export reports that have been published by SOWEC.
- Establish an offshore wind “Code of Practice” as a first step towards a set of General Terms and Conditions.
- Agree targets for increasing local contents in Scotland and provide visibility of this ambition to the supply chain
- Set up visibility and opportunity for the supply chain to participate in an integrated energy system, through the introduction of related technologies, so the focus is not only on offshore wind, but maximising capabilities and growth across the energy transition.

How this contributes to SOWEC’s Strategic Goals?

- Work to increase economic value in line with local content and export ambitions set out in the UK Sector Deal, developing a world-class supply chain in Scotland.
- Support the development of a growing, skilled, and diverse workforce, facilitating sector transitions (oil and gas), expanding apprenticeships, and increasing the representation of women and BAME workers.

2) Support the creation of a Scottish Floating Offshore Wind Port Cluster.

Targets

- To conclude the key components and collaborative position of Floating Offshore Wind Port Clusters, through the establishment of the first Cluster at the Cromarty Firth, to be closely followed by other clusters under current development, around the Scottish coastline
- Focus on providing visibility of current port infrastructure and detail the objectives for expansion/investment

Deliverables (Timing: all for end 2022)

- Assist where required the creation of a report from OREC/ARUP on current port infrastructure status and ensure master planning is identifying and fulfilling the offshore wind opportunity.
- Set up collaborative framework with developers, tier 1’s and the port clusters and ensure that this leads to project commitment that is aligned with projected capability and competencies. Ensure that this framework opens up visibility and trust that can be maximised to deliver competitive solutions for the build out of floating wind hardware and provision of related services. Following issue of report on above, facilitate progress of a programme of investment to port clusters (Cromarty Firth and other emerging port clusters), that will provide enough deepwater quayside capacity and laydown/storage areas required for large commercial developments
- To attract manufacturing of scale to Scotland, particularly focussed on the floating wind requirements, recognising the schedule for infrastructure improvements that will be required to enable this deliverable to be achieved.
- Note; The first port cluster must be established within one year to be ready to participate in the first floating wind stepping stone projects to enable supply chain ramp up for the commercial sale projects and large demand that will come towards the end of the 2020’s, especially for Scotwind. Subsequent port clusters must be ready within 2 to 3 years.

How this contributes to SOWEC's Strategic Goals?

- Establish Scotland as a world-class offshore wind sector at the leading edge of technology innovation, driving excellence in efficiency, productivity, safety, and sustainability.
- Work to increase economic value in line with local content and export ambitions set out in the UK Sector Deal, developing a world-class supply chain in Scotland

3) Seek to influence government, policymakers, developer's and tier 1's to enhance the offshore wind contracting system to increase visibility of opportunity and investor confidence, as well as a more equitable distribution of risk between tier 1s and their subcontractors

Targets

- Foster a closer working relationship between the supply chain and developers / EPCI, Tier 1 contractors.
- Continue to liaise with BEIS regarding supply chain plans and trends associated with AR4 and future deployments of offshore wind.
- Ensure confidence in the supply chain is gained and built upon.
- Promote track record in delivering competitively priced, quality services and products.

Deliverables (Timing: all for end 2022)

- Following SOWEC publication of all BVGA reports, continue to progress actions with OWIC and other stakeholders, to develop industry adopted mechanisms to increase visibility of opportunities for pre-qualification, supply chain database, central advertising platform for procurement and develop an offshore wind Code of Practice that could ultimately lead to developing standardised terms and conditions, especially for SME's.
- Ensure that the SOWEC roadmap for delivery of the above is visible to the supply chain through the issue of progress reports through the Clusters.
- Increase visibility of opportunities developing in Energy Transition and encourage participation in an integrated energy system by linking SOWEC with other industry bodies promoting technological development and routes to market.
- Host a bi-annual or annual supply chain event to provide an informal platform for the supply chain to engage with tier 1 suppliers and developers; restrictions allowing.
- Produce an action plan with Innovation workstream to target the gains required as articulated in the Procurement Innovation document to be published and circulated to SOWEC council and ensure buy-in from stakeholders.

How this contributes towards SOWEC's Strategic Goals?

- Work to increase economic value in line with local content and export ambitions set out in the UK Sector Deal, developing a world-class supply chain in Scotland.
- Develop a plan for offshore wind's contribution to achieving Scotland's climate change ambition of net-zero greenhouse gas emissions by 2045, incorporating floating wind, oil and gas electrification, hydrogen production, and wider energy system integration.

4) Increase Scottish supply chain access to export markets by creation of greater visibility of opportunity and targeted business development activities utilizing local in-country support.

Targets

- Provide visibility and transparency to the supply chain for targeted overseas market opportunities and assist with ideas, strategies and business development, by using local representatives and their resources.
- Identify key Scottish strengths and capabilities and how logistics and regulatory costs can be mitigated.
- Identify how to collaborate in-country where required.

Deliverables (Timing: all for end 2022)

- Work with SDI, DIT and stakeholders to ensure Scottish capabilities are promoted globally and export opportunities are highlighted.
- Support the High Potential Opportunity promotion for floating wind through DIT/SDI.
- With SDI, identify specific opportunities for the Scottish supply chain.
- Identify an Export Champion to lead the export agenda for offshore wind.

How this contributes to SOWEC’s Strategic Goals?

Work to increase economic value in line with local content and export ambitions set out in the UK Sector Deal, developing a world-class supply chain in Scotland.

5) Interface and provide strategic guidance to the Scottish offshore wind clusters

Targets

- Support the Scottish Clusters and provide strategic guidance on alignment to SOWEC’s ambitions and goals.

Deliverables

- Continue to be integral part of the Scottish clusters through steering group membership and attendance.
- Promote and endorse the clusters as key reference point for developers and Tier 1’s for engagement opportunities.
- Champion the Scottish Clusters at industry events and forums and support cluster webinars and events.
- DeepWind and Forth and Tay Offshore to continue to be members of the Supply Chain and Clusters working group.
- Support the clusters in progressing to next stage of development and sustainability.

How this contributes to SOWEC’s Strategic Goals?

- Establish Scotland as a world-class offshore wind sector at the leading edge of technology innovation, driving excellence in efficiency, productivity, safety, and sustainability.
- Work to increase economic value in line with local content and export ambitions set out in the UK Sector Deal, developing a world-class supply chain in Scotland.
- Support the development of a growing, skilled, and diverse workforce, facilitating sector transitions (e.g. oil and gas), expanding apprenticeships, and increasing the representation of women and BAME workers.

Key Milestones – Supply chain and Clusters Group

Milestone	Date	Comment/Further Detail
Proactive discussions held with Floating Wind Port Cluster partners	Dec 2021	In line with SIA delivery plan.
Commission research on Offshore Wind Code of Practise to include proposals, recommendations and endorsement by industry.	End 2022	Progression from T&C’s and procurement recommendations.
Commission research on a strategy and measurement to achieving visibility on Scottish progress towards 60% UK content targets	End 2022	Next steps from baseline report.
Supply Chain Event (restrictions allowing and following risk assessment)	End 2022	In collaboration with the clusters.

Budget: Supply chain and Clusters Group 2021/22

2021/22 Roadmap

£2,000 Operational and logistic costs for SC&C Activity.
£25,000 Offshore Wind Code of Practise commission
£10,000 Measurement of Scottish progress to UK target of 60% commission
£5,000 Supply Chain Event
£3,000 Contingency

£45,000 TOTAL

Consultant support etc

As stated above.