

Dear members,

As some of you may already know, it has been proposed that Scotland's two existing offshore wind clusters, DeepWind and Forth and Tay Offshore, should merge into a single, unified national cluster with enhanced resources. The main aim is to increase support to Scottish supply chain companies and for the new national entity to be run by industry for industry.

A Task and Finish Group has been formed, comprising private sector members of both clusters and representatives from public sector bodies Scottish Enterprise, Highlands and Islands Enterprise, South of Scotland Enterprise along with representatives from the Scottish Offshore Wind Energy Council, to take on the overall approach to communications and governance for this process and ensure each area, region and interest group has an opportunity to input into this formation of a national cluster.

### **Rationale**

The geographic focus of the Scottish clusters and their governance structures are still broadly reflective of the Scottish offshore wind opportunity at the time they were established, in 2019.

Five years ago, there were 12 Scottish projects comprising 9.8GW of capacity under development, construction or in operation. The ScotWind and INTOG leasing processes have transformed the nature of the Scottish offshore wind project pipeline, which has quadrupled to 48 projects with planned generation capacity of up to 45.5GW (including 1.9GW of fully operational projects). The substantial growth in Scotland's domestic offshore wind pipeline provided the impetus for reassessing Scotland's existing two cluster model.

### **Cluster Reform**

The Scottish national cluster initiative was instigated at the behest of the SOWEC Supply Chain & Clusters Group in Autumn 2022 who organised a series of three workshops that included representatives from DeepWind and Forth and Tay Offshore. The workshops culminated in an information paper recommending the development of a single, national Scottish offshore wind cluster that could build on, enhance and expand Scotland-wide the activities currently delivered by the two clusters. Key considerations included:

- Creating a national Scottish cluster would reduce complexity within the sector.
- Many ScotWind and INTOG developers do not fit neatly within the original geographic and thematic focus of the two-cluster model.
- There is considerable crossover between the memberships of the two clusters with over 200 shared members.
- The time and resources that cluster board members can dedicate to the clusters is finite, and risks being spread too thinly.

In spring 2023, Lumen Associates were tasked by SOWEC to create draft terms of reference for a single Scottish offshore wind cluster. During June and July 2023, Lumen held workshops and one-to-one meetings with representatives from SOWEC, DeepWind and Forth and Tay Offshore and the outcomes were set out in the paper Scottish Cluster Reform - Recommendation to Forth and Tay Offshore and DeepWind Steering Groups, which was shared with the steering groups of both clusters for consideration in late July.

In August, the steering groups of both clusters agreed in principle with the general ambition of a single, unified Scottish offshore wind cluster. This was subject to greater detail and clarity with regard to its design and to ensure that regional focus and involvement would not be lost in the transition.

### Next steps

The partners are in the process of appointing a consultant to project manage the development and creation of a unified Scottish offshore wind cluster. It is anticipated that the contract will start on 22 January for six months. The appointed consultant will be responsible for overseeing the following Task and Finish Groups:

- **Communications:** an internal and external communications plan to ensure members of each cluster are kept fully abreast with progress whilst communicating that merger more widely with industry. This group will also consider the branding and mediums that the cluster will focus on.
- **Activities and Events:** events programme of a unified cluster, including amalgamation of existing plans to ensure Scotland-wide representation.
- **Governance:** including assessment of a need for a steering board and who should serve on this.
- **Legal:** ensuring a legal entity is set up properly.
- **HR:** how the cluster will be resourced, and identification of recruitment processes and support required to proceed with this.

In addition to oversight of the task and finish groups, the consultant will engage with stakeholders associated with the project, including, but not limited to, members of the SOWEC Supply Chain and Clusters Group.

The main outputs from this commission will be:

- **Terms of Reference** for the proposed Unified Scottish Offshore Wind Cluster
- **Job Description** for the Cluster Manager
- **Monthly Progress Reports** to Contract Management Team
- Creation and completion of an **action plan** for each task and finish group

The steering group has agreed this will be reviewed by: Scott Hamilton (SOWEC), Claire Wilson (HIE), Adam Swainbank (SE), Paul O' Brien (DeepWind) and Shona Clive (FTO).

I hope that you will agree that a unified, national cluster will allow us to work more efficiently across the supply chain to take advantage of the momentous opportunity that offshore wind provides for Scotland.

We will endeavour to keep you informed at all key milestones in this process but if you have any questions about this or would like to discuss what this means for your business in the meantime, please do get in touch.

On behalf of DeepWind and Forth and Tay Offshore.

