

CX SSG- Chapelcross Update Report May 2021

INTRODUCTION

Since the last report to the CX SSG encouraging progress has been made against the CX Route-map (2095) ambition. This despite team efforts having been hindered by business/operational issues, the Election and COVID 19.

OVERVIEW

Key progress highlights since Dec 20 SSG meeting include:

- The approval, in February, of the CX business case (CX SOBC) within the Borderlands inclusive Growth Deal (CX Route-map milestone)
- The deployment of revised CX Partner programme governance and leadership arrangements
- NDA payment of the DGC claim for £134k against the 5 Year NDA CX Funding Agreement
- Increased levels of interest for the CX proposals from the public and private sectors

This has put the CX programme in a good position for it to complete its preparations for the implementation of next programme stage (OBC) to commence in Q2.

PROGRESS (since CX SSG previous report Dec 20)

CX SOBC approval within the Growth Deal

- As we have previously reported, the approval of the Deal is an important achievement for the Borderlands Partnership as it plays to circa £400m of funding for its 10 projects and initiatives. For detail, see links to Borderlands Partnership press releases:
 - [Read more about the Borderlands Deal in our summary document](#)
 - [Read the full document](#)
 - [View the virtual signing ceremony](#)
- Some £20.8M of funding is linked to the CX Programme and is made up of £7.8M from the UKG, £7.5M from the SG; (i.e. £15.8m from UKG/SG) ; £5.6M from the Council (DGC)
- This funding covers the capital cost of the infrastructure works which are required to unlock the CX site development. The funding will be available for draw down by the Council following the approval of the CX Full Business Case and the staged delivery of physical infrastructure works.

Memorandum of Understanding

- The CX MoU of 2017 has been re-drafted to reflect the changing roles of Scottish Enterprise with the emergence of the South of Scotland Enterprise (SoSE), the CX Route-map (2095) and DGC CX Programme Mandate of Sept 2019. In these regards, it delivers a step change in expectations for partner collaboration, focus and commitment going forward. It is expected that the MoU 2021 will be endorsed at senior CX partner level over the coming weeks – [see link to draft CX MoU 2021](#) and the attached CX Programme organisational governance diagram

Key programme updates

- CX Partners were pleased to welcome Jane Morrison-Ross as **SoSE**'s new CEO in March. Jane has a strong record of support for the CX programme, having provided a Letter of Support to the CX ambitions in her previous role as CEO of ScotlandIS.
- The **NDA** paid the £134k application by the Council against year 4 of the 5 year £495k CX Grant.
- The **SSG** "concept" of early occupation of the site is being actively supported by CX Partners. For example, the **SoSE** sponsored "digital" proposal, reported at the last meeting, is progressing well.

- Public and private sector interest in the CX site and proposals continues to develop. For example, “Host in Scotland”, a datacentre sector support initiative set up by infrastructure experts the **Scottish Futures Trust**, and in partnership with **Scottish Enterprise** and **Crown Estate Scotland** published (March) two datacentre site selection reports, which were undertaken by datacentre specialists **TechRE** on their behalf, highlighting a wide range of locations across Scotland that fulfil a number of key datacentre criteria. TechRE research included detailed interviews with CX team members. Chapelcross was at the top of the list of locations in the published reports.
- As a consequence of the updated CX MoU, the **NDA** are leading the development of CX marketing efforts in support of the OBC stage as a targeted contribution
- In March, **SoSE** submitted an application to UKAEA for CX site consideration within the [STEP](#) (Spherical Tokamak for Energy Production) programme. STEP is an ambitious programme to design and build a fusion power plant.

CURRENT PRIORITIES

- The next programme stage will deliver the Borderlands Outline Business Case “unlocking of the site development”, together with the next stage scope of the programme definition
- The programme scope definition will include the approved version of the **attached** draft model. The model presents an option for the creation, by 2031, of the CX site as **a net zero carbon, energy and innovation park/hub**. This option is underpinned by 3 points:
 - *The CX Net Zero Carbon ambition is not just about energy...its about creating a circular economy*
 - *Energy and CX’s role within the local energy system is the starting point for the coherent and integrated development of CX’s 5 thematic pillar offer within the CX OBC*
 - *CX is a catalyst: a SMART regional net zero contribution, resilient communities, and a circular economy*
- **DGC** are progressing procurement activity to secure the optimal delivery of the proposed CX SOBC highway, site improvement works and the next stage programme definition
- Detailed objectives, plans and performance management requirements for the stage are expected to be approved within Q2 2021, in line with the agreed CX programme governance framework.
- The CX programme is keen to develop a more active and ongoing dialogue CX SSG stakeholders. It is felt that this would contribute to new levels of collaboration, focus and commitment which will be required to achieve the stage objectives.

ATTACHMENT:

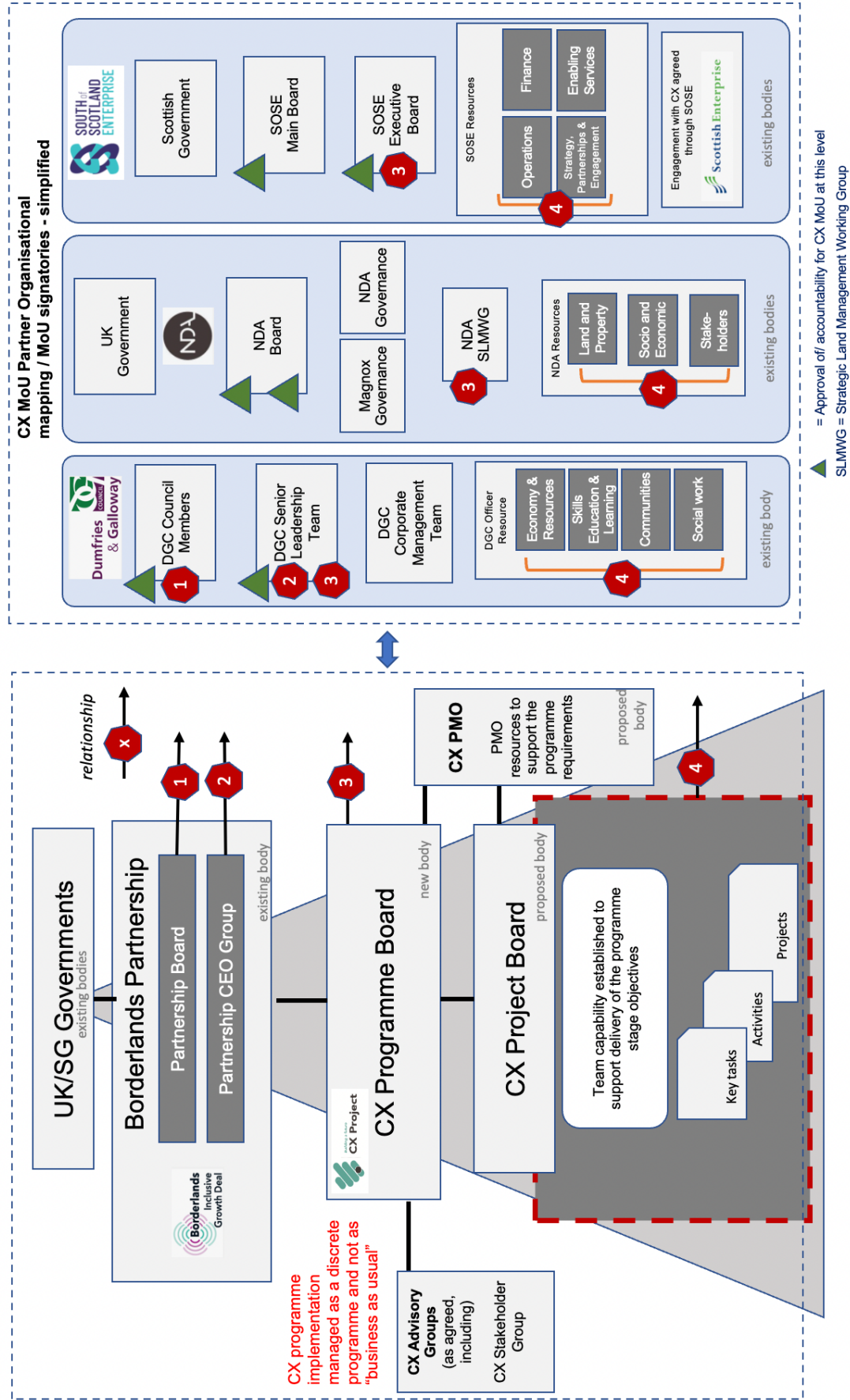
- CX Net Zero Carbon Innovation Park (CX Net Zero Ambition 2031- model for development)

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May 2021
END (final)

Chapelcross (CX) Site Transformation Programme Organisational Governance

Version 13 Jan 2021



MAF.D.013 (01 May 21)

Net Zero Carbon, Energy and Innovation Park

CX Net Zero Carbon Ambition (2031) - model for development

- 1) The CX Net Zero Carbon ambition is not just about energy... it is about creating a circular economy
- 2) Energy and CX's role within the local energy system is the starting point for the coherent and integrated development of CX's 5 thematic pillar offer within the CX OBC
- 3) CX catalyst: a SMART regional net zero contribution, resilient communities & a circular economy

