

## COMHAIRLE NAN EILEAN SIAR

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Mr John Swinney MSP  
Deputy First Minister and Cabinet Secretary  
for Education and Skills  
The Scottish Government  
St Andrews House  
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EH1 3DG

RODDIE MACKAY

LEADER

3 April 2018

Dear Deputy First Minister,

### A TEAM SCOTLAND APPROACH IN THE OUTER HEBRIDES

I am taking the opportunity to follow up on the recent meeting of the Convention of the Highlands and Islands (COHI) held in Millport and in particular the discussion around the GFG Alliance experience in Lochaber. Although I was not able to attend that particular meeting of COHI, I understand from Cllr. Norman MacDonald, who represented the Comhairle, that there was a very positive discussion around the "Team Scotland" approach undertaken in Lochaber. That approach seems to have stimulated momentum, removed blockages and has opened the way for a very significant regional and national development.

I also understand from Norman that you were encouraging of the approach undertaken in Lochaber being replicated and encouraging of other localities to come forward with ideas that may benefit from such a focussed and joined-up approach.

I believe that such an approach would be of significant benefit to the Outer Hebrides and I write to invite discussion around how the concept may be deployed in the islands. I appreciate that Highlands and Islands Enterprise have been tasked with bringing a paper to the next COHI around opportunities, but I would be keen to stimulate some earlier engagement with Government.

From my perspective there are a number of issues in the Hebrides that require a more joined-up approach and a sharper private sector / inter-Governmental / inter agency approach focus. At the top end of that challenge is the loss of population and the related issues of population drift and demographic imbalance. This is an on-going challenge brought into sharp focus by the latest National Records of Scotland population projections.

They released their latest projections on 28 March 2018 and predict a 4.8% decrease in the population of the Outer Hebrides over the next 10 years to 2026. For the 25 years to 2041 the population is projected to decrease by 14%. This is the largest decline in Scotland. In my view we need to take radical and decisive actions to impact on this projected decline.

The Comhairle and our local partners are presently working on two projects of scale that I believe have the potential to make a significant impact and to provide the economic stimulus to, not only halt, but to reverse the present population decline. These two projects are the Spaceport 1 development in North Uist and the "Stornoway Vision" development in Lewis. I am enclosing two appendices to outline these two opportunities.

These two projects will require concentrated effort between the private sector, Government and agencies. There are huge opportunities, but there are also inhibitors. There are areas where a focussed Team Scotland approach will help concentrate minds and provide the drive that is required for multi-disciplinary projects of this kind. I trust the two appended overviews help provide a summarised overview of the opportunities that these projects present.

As you will see from the two summaries the potential for new jobs and for boost in GVA is highly significant at a regional level. At the Outer Hebrides level the opportunity is transformational. I believe we have to work fast and collaboratively to deliver on that unprecedented opportunity.

I would therefore appreciate an early opportunity to discuss these two projects with you and to explore whether a "Team Scotland" approach would be beneficial. I look forward to that discussion and agreeing a collaborative approach to moving the two projects forward under the umbrella of revitalising the Outer Hebrides.

I look forward to hearing from you.

Yours sincerely,

**Cllr. Roddie Mackay**  
**Leader**  
**Comhairle nan Eilean Siar**

## SPACEPORT 1

1. The private / public partnership that comprises Spaceport 1 are committed to delivering the UK's first vertical launch spaceport at Scolpaig, North Uist. The Spaceport 1 proposal will capitalise on the unique missile test expertise and infrastructure already in place in the Outer Hebrides and provide a transformational economic boost to one of the most fragile parts of Scotland. A summary of the key elements of the proposal are outlined below:
2. Spaceport 1's plan to develop the UK's first vertical launch commercial spaceport at Scolpaig, North Uist, Outer Hebrides, is fully in line with the strategic priorities of the UK Government, the Scottish Government, Highlands and Islands Enterprise and Comhairle nan Eilean Siar.
3. The Spaceport 1 delivery and operational partners [REDACTED] QinetiQ, Commercial Space Technologies) are world class experts in their respective fields and are uniquely qualified to ensure the successful delivery of this project. They have a proven track record of adopting the highest standards of project and programme management for the design and development of this type of facility, together with effective management of construction, operational, regulatory and commercial risks.
4. [REDACTED] which aims to introduce a small launch vehicle to the market for orbital launches from a UK spaceport by 2021. [REDACTED] propose [REDACTED] and to build a robust supply chain in the country to provide cost-effective solutions to meet the growing demand for small satellite launches.
5. [REDACTED] is seeking support to invest in the Spaceport 1 infrastructure and to establish a launch vehicle manufacturing base in the central belt. The proposal represents a [REDACTED]
6. The QinetiQ run Ministry of Defence (MoD) Hebrides Range is a world class facility and employs the only people in the UK with the technical and regulatory expertise to safely launch anything in to space from the UK.
7. The choice of location for Spaceport 1 and its associated Enterprise Park was driven by the unique opportunity to capitalise on these assets and create a world class hub in Scotland for small satellite related space development activity. The benefits associated with these assets include:
  - o Substantially reduced development costs through the use of the existing range infrastructure (subject to MoD approval) and vacated, serviced land and buildings (the estimated cost saving is between £15m - £25m for the spaceport facility).
  - o Access to highly skilled and experienced staff from Spaceport 1 partner QinetiQ, enabling quicker establishment of spaceport management effectiveness, reduced operational risk and faster achievement of necessary operational licenses.
  - o Easy access to existing road, airport, port and digital infrastructure appropriate to the needs of spaceport operations.
  - o Shorter time to the provision of a launch capability and hence commercial revenue generation.

- o Adaptable site, specifically designed to attract multiple launch providers.
  - o A launch location with highly favourable orbit access characteristics, debris field-favourable trajectories and an immediate environment well-disposed to the project.
8. Spaceport 1 is therefore the ideal location to create a world class hub in Scotland for small satellite related space development activity.
  9. As well as providing the best location for the UK's first vertical launch spaceport, the Outer Hebrides is also the most in need of this type of transformational investment in one of the key industries of the future. The Outer Hebrides is one of the most fragile and economically at risk areas of Scotland and current demographic forecasts highlight major challenges for the long term sustainability of the Islands' economy and local communities. Economic analysis indicates that the Outer Hebrides has the greatest economic need for the type of strategic investment in a high growth future industry sector, such as that represented by Spaceport 1.
  10. An independent Economic Impact Assessment (EIA) on the location of Spaceport 1 in the Outer Hebrides was carried out by Frontline Consultants. This estimated that at Year 5, the operation would provide 347 FTE net direct jobs in the Outer Hebrides and a GVA increase of £100m. The EIA also identified an additional net 42 FTE jobs being created within the UK (22 of which would be Scotland).
  11. To maximise the creation of high paying jobs, Spaceport 1's plans for North Uist include the development of an Enterprise Park on a former MoD base close to the proposed Scolpaig launch site. This has been specifically included to create an attractive and supportive environment that will attract additional space-related business, academic and commercial research activity to the islands and maximise the economic benefit arising from the satellite value chain.
  12. Spaceport 1 has had a close engagement with the Scottish Centre of Excellence in Satellite Applications (SoXSA) based at the University of Strathclyde. Spaceport 1 and SoXSA have been working on a proposal to maximise the economic impact across the Scottish space related academic and industrial sectors that would arise from the establishment of a spaceport at Scolpaig. SoXSA write:  
  
*"The development of the Spaceport site on the Western Isles that links to the mainland of Scotland through academic and research programmes will be of huge benefit for the development of both the site infrastructure and the programmes that can be delivered through this."*
  13. The MoD is currently considering the future space needs of the UK military and security services and it is understood that the potential for involvement in a "dual-use" civilian / military development is one of the options under consideration. Spaceport 1 has provided the MoD with relevant information about how this could be accommodated at the Scolpaig site and indicative costings to support these considerations.

## **STORNOWAY VISION**

1. "Stornoway Vision" is a collaboration between the agencies active in Stornoway Town Centre – Comhairle nan Eilean Siar, Highlands & Islands Enterprise, The Stornoway Trust, Stornoway Port Authority, Lews Castle College and Stornoway Town Centre Business Group.
2. A number of major town centre initiatives are proposed and "Stornoway Vision" is the vehicle to bring them all together so that the value-added to the total is greater than the sum of its parts. These initiatives include the Stornoway Port Plan; the 'Parks for People' Lews Castle Grounds project; the Newton Commercial Area Regeneration and the development of Stornoway as a University Town.
3. In addition to these initiatives there is the unprecedented level of investment anticipated through the advent of a Renewable Energy industry in the islands, made possible by access to the 'Contract for Difference' Auction Regime for 'Remote Island Wind'. Investment of up to £2bn is expected between now and 2024 with Arnish Point, near Stornoway, being the centre of development (landing point for the HVDC Radial Connector, large AC/DC Converter Station and Grid Access Point for 400MW+ of commercial 'Remote Island Wind' generation.
4. Taken together, these initiatives and investments represent an unprecedented transformational opportunity for the town of Stornoway and the wider Outer Hebrides. Stornoway Vision has been created to draw the various strands of development into a coherent strategy which will deliver economies of scale, eliminate duplication and maximise the return on investment for the local community. The key aspects of Stornoway Vision are:

## **STORNOWAY PORT PLAN**

5. Stornoway is the primary port for the Outer Hebrides and one of the busiest ports on the West coast, north of the Clyde. The National Planning Framework identifies it as one of six 'Key Ports' in Scotland. The port is central to the economy of the islands, facilitating lifeline ferry services and supporting a wide range of economic activities. The Stornoway Port Plan, launched in 2017, is an ambitious £75m project to build on these developments and transform Stornoway into a 21<sup>st</sup> Century port through the following interventions:
  - Creation of a Deep Water Port comprising: 800 metres of quay (half of which will be 10m below CD); 29 hectares of laydown area for Renewable Energy, Decommissioning and Bulk Cargo Storage activity; a back-up Roll On – Roll Off Terminal with warehousing; and, a Cruise Berth for vessels up to 330m in length.
  - Development of Newton Basin to provide: a 72 berth Marina; a new Slipway and Yacht Lift; improved fish processing facilities to access new, high value markets; a redeveloped Boat Repair Yard; and, new facilities for leisure users.
  - A tidal sill in Bayhead Estuary to retain a body of water for use as a Watersports incubator area with associated facilities.

## **STORNOWAY AS A RENEWABLE ENERGY CENTRE**

6. The recent decision by the UK Government to permit access to the 'Contract for Difference' Auction regime for 'Remote Island Wind' could unlock over 400MW on Onshore Wind generation, supplying mainland markets through a new HVDC Radial Connector installed between Arnish, Stornoway and the National Grid at Beaulay. The centre of this new industry will be Arnish where SSE's new Converter Station will be located. Supply Chain activities will cluster around Arnish and innovative

developments in manufacture and export of Hydrogen and next generation Battery Storage are anticipated for that area.

7. Construction of the Radial Connector will take place between 2020 and 2023, creating 100 jobs at Arnish and the associated Wind Farms will be built between 2021 and 2023, creating 298 jobs during development and 244 jobs during lifetime operation. £106m GVA will be added to the island economy from 2020 to 2040. Beyond the direct benefits at Arnish and the Wind Farms, the new Grid connection allows the Outer Hebrides to become the first true Local Energy Economy of scale in the UK. 'Hebrides Energy', a not-for-profit, community owned electricity supply-company will access part of the 100MW Shared Ownership generation available from the commercial Wind Farms and will retail this to island consumers at as near cost as possible, alleviating chronic Fuel Poverty levels across the islands.
8. The key private sector partners within the developments are EDF Energy, Wood Group and Forsa Energy. There is potential for deeper on-going collaboration with these companies.

#### **NEWTON REGENERATION**

9. In recent years, the town of Stornoway has evolved into a modern regional economy with a heavy emphasis on digital connectivity, media services, fresh expressions of a unique heritage and a rapidly expanding visitor economy. The Newton Commercial Area, home to the heavy industries of the 1960's and 1970's, particularly Harris Tweed processing, has been left behind. The area is now characterised by large, derelict mill complexes with its development potential constrained by safeguarding requirements around Stornoway LPG Storage Plant.

#### **WATERFRONT RECOVERY**

10. A key element of "Stornoway Vision" is the reclamation of the forgotten waterfront as a point of interest and orientation with car parks broken through as the pedestrian reclaims the town centre and associated waterfront. This is a challenging, long-term project but a continuous walkway will eventually be provided around Stornoway's historic waterfront running from Arnish Point in the West, through Lews Castle Grounds and the Town Centre to the lolaire Monument in the East. The scenic waterfront walkway, with its civic art installations, play areas and shelters, then becomes the pedestrian's route of choice, breaking off to access the town centre at strategic points.

#### **LEWS CASTLE GROUNDS: OUR TOWN CENTRE PARK**

11. Lews Castle Grounds were established in the 1850's and have been in public ownership since 1923 and have a long history as a public park and 'playground' of the town. A current "Parks for People" project seeks to repair and restore the historic buildings of the Grounds, reinstate Lews Castle terrace, steps and bastion wall and redevelop the soft landscaping and planting schemes throughout the wider park area. Part of this project, a new pedestrian footbridge from the heart of the town centre to the Castle Grounds, ties in with the Stornoway Port Plan proposal for a footbridge and weir across Bayhead Estuary.
12. Improved access into Lews Castle Grounds will bring the magnificent Lews Castle (constructed in the 1840's), the flagship Lews Castle Museum & Archive and the associated Lews Castle College (University of the Highlands & Islands) into the town centre. This, in turn, moves the concept of Stornoway as a University Town closer to delivery. New student accommodation within Stornoway town centre and an enhanced academic offering at Lews Castle College will see an influx of international students who want to study at "this college on the edge of Europe".

Cabinet Secretary for the Rural Economy and  
Connectivity  
Fergus Ewing MSP



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Councillor Roddie Mackay  
Comhairle Nan Eilean Siar, Council  
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Our ref: 2018/0013839  
17 May 2018

*Dear Roddie,*

Thank you for your letter of 5 April 2018, addressed to the Deputy First Minister in response to positive discussions at the Convention of the Highlands and Islands around the "Team Scotland" approach undertaken with the GFG Alliance at Lochaber. As Minister with portfolio responsibility for Lochaber, Mr Swinney has passed your letter to me to respond.

I read with interest the appendices provided on the two projects at North Uist and Stornoway that Comhairle and local partners are currently working on. On the North Uist project, I understand that Mr Wheelhouse visited the site on 3 April 2018 with you for discussions with two of the SpacePort partners (Western Isles Council and QInefiQ) on their ambitions to develop satellite launch activities in the region. I also understand that a business proposal has recently been submitted on the project.

I agree with you that these projects have the potential to make a significant impact within the region both in terms of their economic impact and addressing the region's population decline. The Scottish Government's experience with the GFG Alliance has shown that its "Team Scotland" approach helped concentrate effort from the private sector, Government and its agencies to unlock major regional opportunities within the West Highlands. I would encourage early discussion with officials in the Economic Development Directorate on these projects and advise contacting in the first instance our Strategic Industrial Project Unit [REDACTED] to arrange an early meeting, in order to explore the best collaborative approaches which could be taken.

*Fergus Ewing*  
**FERGUS EWING**

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Minister for Trade, Investment and Innovation  
Ivan McKee MSP



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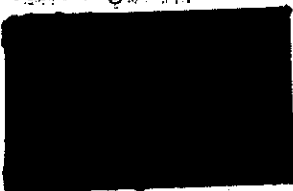
12 June 2019

Dear Cllr Mackay,

Thank you for your letter of 10 June 2019 to Ivan McKee MSP, Minister for Trade, Investment and Innovation, in which you sought a meeting to update the minister on the development of Spaceport 1 at Scolpaig.

The minister would be delighted to meet with you to discuss further. Unfortunately, his diary cannot currently accommodate a visit to Uist, however, if you are content to meet in Edinburgh then I would be grateful if you could contact his office at [MinisterTII@Gov.Scot](mailto:MinisterTII@Gov.Scot) to try and have a meeting arranged prior to parliamentary recess.

Kind regards,



ASSISTANT PRIVATE SECRETARY

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Councillor Roddie Mackay  
Comhairle Nan Eilean Siar, Council  
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Our ref: 2019/0020777  
06 August 2019

Dear Councillor Mackay,

Thank you for your letter of 02 July following my meeting with representatives of the Comhairle regarding Spaceport 1 on 27 June. Please be assured that I completely understand that your attendance was prevented by reasons that were beyond your control. You will also be re-assured to learn that it was a constructive meeting and I received an excellent overview of the project in North Uist.

Thank you also for the invitation to attend first launch, and I would be pleased to attend, subject to parliamentary and diary commitments. I would ask that you contact my officials nearer the time with regard to that, and also with regard to the ongoing discussion regarding funding opportunities.

Yours sincerely,

Ivan McKee

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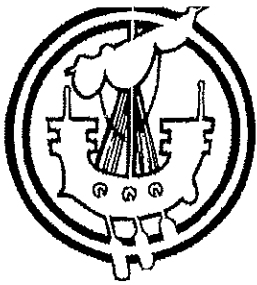
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## COMHAIRLE NAN EILEAN SIAR

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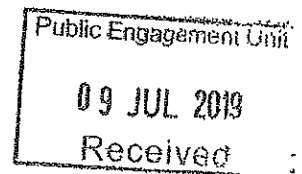
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**RODDIE MACKAY**

**LEADER**

02 July 2019



Dear Minister

### SPACEPORT 1 BRIEFING MEETING

Thank you for meeting with representatives from Comhairle nan Eilean Siar to discuss the opportunities for Scotland, arising from the space sector and in particular the opportunities for the Outer Hebrides through the Spaceport 1 project in North Uist. My apologies for not making the meeting, but as was relayed, my aircraft was cancelled due to a technical fault.

As was overviewed at the meeting our vision for Spaceport 1 is to create the first vertical launch facility in the UK that is accessible to a range of launch operators looking to deliver payloads of up to 500kg. We believe the project will provide a northern hemisphere launch capability enabling both polar and sun synchronous low earth orbits. Spaceport 1 will also support sub-orbital launches, microgravity experiments, research & development and test & evaluation opportunities.

The Spaceport 1 development programme is based around a phased approach with the first phase being to provide the infrastructure to enable small sounding rocket launches. That phase is costed at [REDACTED] and is anticipated that it will be completed during late summer. We anticipate a [REDACTED]

[REDACTED] We believe these launches will firmly establish Spaceport 1, the Uists and Scotland, as a credible low-cost rocket launch operator.

The date for the first launch is presently being finalised, and I would like to formally invite you to attend that launch. We will liaise with your office, in due course, when a final date has been agreed.

As mentioned previously, the cost to getting to first launch is placed [REDACTED]. The Comhairle has committed £1m to that cost, in addition to logistical and staff support. We anticipate a contribution from Highlands and Islands Enterprise and as mentioned at the meeting, it would be excellent if the Scottish Government were able to make a financial contribution. Comhairle officials will liaise with your officials to see how that may most practically be achieved.

[REDACTED]

Finally, can I thank you again for taking the meeting and your ongoing commitment to ensuring that Scotland will secure a world-leading position in regard to satellite launch and to developing an enduring and sustainable space sector.

I look forward to meeting you later in the year, in Uist, for the first Spaceport 1 launch.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'R. Mackay', written in a cursive style.

**Cllr. Roddie Mackay**  
**Leader**  
**Comhairle nan Eilean Siar**