

Minutes of Meeting

Extraordinary meeting of the Sutherland Spaceport Community Liaison Group

Monday 20 January 2025 at 19.00

The Kyle Centre, Tongue, IV27 4XA

Attendees (in person)

Frances Gunn	Interim Chair/ UPNORTH! Community Development Trust
Allan Mackay	Melness Grazings Committee
Trudy Morris	Caithness Chamber of Commerce/Business Representative and delegate for Cathy Earnshaw who was representing Tourism / Venture North
Eann Sinclair	HIE
Peter Guthrie	HIE
Peter Faccenda	Focus North Programme Manager/HIE
Dorothy Prichard	delegate for Mark Findlay /Melness Crofters' Estate (MCE)
Sarah Jane Fox	representing local hospitality businesses
Martin Reid	Tongue , Melness and Skerry Community Council
Thomas Mackenzie	Tongue Grazings Committee
Rory McGregor	on behalf of Scottish Government / Invite as required
Phil Chambers	Orbex – CEO
Penny Godfrey	Orbex – Head of Marketing
Carla Martin	Orbex (minutes)

Attendees (online)

Amanda Moseley	Farr High /Education
Hugh Morrison	Local Councillor
Bea Ayling	RSPB
David Oxley	HIE
Tim Curtis	Bettyhill Community Council

1. Welcome and opening remarks from the Interim Chair

- Frances Gunn (FG) welcomed everyone to the meeting and thanked them for attending.
- Introductions were made from those present and those online.
- FG confirmed that this was an extraordinary meeting of the group and would be held as a closed session and was not open to the public as per the Terms of Reference.

2. Apologies

- No apologies were received.

3. Conflict of Interest

- There were no conflicts of interest raised.
- FG noted that should any conflicts arise during the meeting they should be raised by the individual and noted.

4. Orbex Update (decision to pause construction and next steps)

- including Planning Update (following planning consent being granted at the end of October)

- Phil Chambers (PC) formally presented to the meeting providing an update to the group on Orbex's decision to pause construction of Sutherland Spaceport:
 - PC recognised that this decision had frustrated members of the group, noting the decision was purely commercial and wasn't taken lightly.
 - PC provided background on Orbex's current financial and fundraising priorities as well as the challenging investment climate, both public and private.
 - PC explained that Sutherland remains an important part of Orbex's long-term strategy, but priority must be given to the development of Prime to secure the shared future of the business and spaceport.
 - PC shared added background on Orbex's current strategic focus in the context of funding challenges with the UK launch sector and the competitive advantage of EU countries such as France or Germany that have received significant state backing.
 - PC provided the group with clarity on public funding received by Orbex to date to support the construction of the Sutherland Spaceport. PC stressed that there have been a number of reports that Orbex had received £14M of public money toward the spaceport and confirmed that the only public monies claimed by Orbex to-date are £2.3M from HIE and this had been claimed in line with the grant requirements.
 - Given the challenging funding position, PC confirmed that Orbex's current business plan and launch schedule estimated that capacity at Sutherland Spaceport would be required from 2028, which is why Orbex intends to fulfil its lease and keep the Spaceport's development under constant review.
 - PC confirmed that Orbex would meet current planning obligations and proceed with Sutherland Spaceport's launch licence from the CAA. PC confirmed that discussions were underway with interested parties, including the Highland Council, SEPA and NatureScot to agree a pause plan, and this would include various surveys and monitoring to meet requirements.
 - PC confirmed that Orbex would remain active within the community. He confirmed that the plan was to create 28 FTE jobs in the Highlands and Islands within 5 years of completion of Orbex's activities funded by HIE but highlighted that initial job creation would be phased alongside site reawakening and the development of launch operations. He confirmed that Orbex was committed to job creation in the local area but that it must support operational requirements.

5. Questions from the CLG (including those previously shared by the Interim Chair and those raised on the night)

- FG opened the meeting to questions.
- Orbex was asked to explain why the decision was made to switch launch services to SaxaVord despite the positive assessment it gave to the group in October.
 - PC shared that the decision to switch services to SaxaVord was taken in December and not in October.
 - The decision was purely commercial when the financial position of the company necessitated Orbex to focus available funding on Prime.
 - PC confirmed that the financial position of the company was made clear to stakeholders including HIE, but funding to bridge the gap to complete the Spaceport was not available.
- Orbex was asked to explain how it can now dedicate resources to Proxima, a larger launcher.
 - PC shared that Proxima is targeted at an ESA competition called the European Launcher Challenge (ELC). The industrial policy committee (IPC) documentation has just been released and a total fund up to 150M Euros is available (with backing from the UKSA). Obviously, the outcome of the process is not yet known however a positive result for Orbex will positively affect the business moving forward.
- Orbex was asked to explain why a call for tender for construction services at the Spaceport was made in the days preceding the announcement.

- PC confirmed that the tender was issued by its contractor in good faith and that the majority of employees within Orbex were not privy to any discussions around pausing the construction of the spaceport at that time and were following tasks / actions within the normal course of their work.
- Orbex was asked to explain if HIE, Sutherland/MCE were misled at the October meeting.
 - PC noted that Orbex did not mislead HIE/MCE at this meeting, as the decision had not been taken at that time. All major stakeholders were informed prior to the public announcement shortly after the decision was taken on 2 December 2024.
 - The decision to pause construction was not taken in isolation and was influenced by a series of factors outside Orbex's immediate control – these include a challenging investment climate (public and private) and the current geopolitical outlook on launch.
 - PC explained that SaxaVord has a launch license and available capacity which allows Orbex to focus all attention on Prime and the European Launcher Challenge. Once Orbex is revenue generating the proposition changes, which would mean completing Sutherland, utilising our launch capacity there and making it Orbex's launchbase/home, realigning with the previous strategy and market proposition.
- Orbex was asked to confirm when discussions with SaxaVord commenced.
 - PC reiterated that Orbex is pausing the construction of the Spaceport. Its operational readiness will be kept under constant review. Orbex has always kept its launch requirements under review, speaking regularly with spaceport operators around the world, in line with the development of Prime.
 - PC reported that Sutherland isn't an overflow in Orbex's plans – once revenue generating it will become Orbex's home spaceport and, subject to customer requirements, other spaceports such as SaxaVord will provide extra capacity.
- Orbex was asked to confirm if it has received funding from objectors to the Sutherland Spaceport and written assurances that Wildland Ltd would not be given control of the spaceport lease.
 - PC noted that he / Orbex had met with several objectors to the Spaceport (including some known to the group earlier that day) so that they were able to progress with its development and secure planning consent. However, he also confirmed that Wildland, Heartland and AHP were not investors in Orbex.
- Orbex was asked to confirm how the spaceport will be maintained during the pause period (road, peatland restoration, bird monitoring and access).
 - PC confirmed that the planning consent is subject to a number of conditions which require on-going monitoring of the site. The required monitoring will continue to be undertaken by the independent consultants already approved by The Highland Council, with Planning Monitoring Officer reports continuing to be submitted to ensure that The Council is satisfied that all relevant conditions continue to be complied with. In monitoring the site attention will be given to the condition of the road and any potential impacts that any deterioration of that might have on the adjacent peatland and watercourses.
 - Orbex will continue to comply with the Peat Management and Peatland Restoration Plans approved by The Council. Discussions are currently on-going with The Highland Council, SEPA and NatureScot regarding the extent of peatland restoration that will be carried out now and what would best be done when Orbex return to the site (with most of the peat to be used for restoration to come from the site of the launch pad which has not get been excavated).
 - The approved Nature Conservation Management Plan includes details of the monitoring programme for birds and other species and it is the intention that annual surveys will continue to be carried out in accordance with that.
 - It is proposed to retain the existing access with the site gate to be dual padlocked to provide access for MCE and SSE. Manhole rings will be placed to the north of the Launch Operations Control Centre (LOCC) carpark to ensure that only pedestrian and quad access is possible. Safety signage will also be erected on the site gate.
- Orbex was asked if stakeholders, who might have incurred costs in moving the project forward, would be compensated.
 - PC noted that he is happy to review such issues on a case-by-case basis and individuals should contact Orbex directly.
- The group expressed frustration over the socio-economic impact of the decision to pause construction and if Orbex would consider allowing an independent spaceport operator to complete the site and enter into an agreement with them for use in future.
 - PC noted that Orbex intends to remain fully compliant with obligations under the Grant Agreement and the Lease of the land at the A'Mhòine peninsula. Orbex are continuing to engage contractually

with members of the community at Ben Tongue during the pause, and will be providing updates to this group, and fully intend to exercise rights under the planning permissions granted by the Highland Council.

- Orbex will also continue with the Sutherland Spaceport License Application with the CAA for the location. Orbex remains fully committed to the Sutherland Spaceport and the local community. Orbex is looking forward to a successful test launch campaign for Orbex Prime kicking off in 2025 that will help achieve the long-term strategy to complete the construction of Sutherland Spaceport, in partnership with HIE, and make it the home of Orbex Prime in the years to come.
- He noted that a key factor in Orbex's approach is the projected launch cadence, which it is anticipated will exceed SaxaVord's capacity within a few years. For this reason, returning to Sutherland remains an integral part of the long-term business strategy.
- Allowing another launch provider to sublet from Orbex would introduce significant complexities into the plan, without offering substantial long-term benefits beyond addressing a medium-term gap. Orbex believe such a deviation would be detrimental to the long-term success of the business and, consequently, to the broader success of the space industry in Moray and the Highlands. Orbex has put significant capital investment into Sutherland and would not want a rival company to benefit from that investment – regardless, there are no operational micro-launchers in Europe at the moment, so Orbex do not think this would be in the best interest for the site or community.
- Orbex was asked to provide the group with confidence about its launch schedule and when it would return to Sutherland Spaceport.
 - PC noted that the launch cadence is driven by the business plan, however, he recognised that Orbex could experience failures and technical problems that could impact the plan. He reported that this was not unusual given the nature and technical complexities of what was being undertaken.
 - PC noted that Orbex have a maximum availability of 10 launches per year from SaxaVord. The business plan determines that additional capacity will be required in addition to this and Sutherland can support this by providing a further 12 launches per year. This is why Orbex intend to keep Sutherland close to operational readiness, including completing the launch licensing process.
- Orbex was asked if it will still support community initiatives, such as STEM support for the local schools.
 - PC confirmed that Orbex will continue to have STEM input to the schools. For example, Penny Godfrey (PG) is in discussions with Tongue Primary regarding the donation of some new tablet devices for the students.
- Orbex was asked if it intends to pay back any of the public funding given for the Sutherland spaceport project?
 - PC confirmed that the decision to pause development of the Spaceport had no immediate effect on the terms of the Grant Agreement Orbex has signed.
- Orbex was asked what the pause means for the development on Ben Tongue?
 - PC reported that there are some planning obligations relating to the Antenna Park on Ben Tongue that will need to be discharged, however major construction will be paused in line with the Spaceport. He noted that Orbex are in discussions with local residents on this matter.
- FG thanked PC for his answers and reiterated that the decision to pause had been a huge shock to the community. She noted that a number of questions had been received after her deadline. PC noted that he was happy to answer these within the meeting.
- Orbex was asked if it will meet their carbon neutral launch goal with the move to SaxaVord (remote offshore site)? E.g. Fuel choice, reflight etc
 - PC noted that Orbex's ambition continues to be to offer customers the most environmentally friendly launch possible, regardless of the launch site being used.
- Orbex was asked what construction will be done so that the planning permission and the environmental surveys related to those do not lapse, through lack of work on the site.
 - PC advised that Orbex plans to activate the new planning consent awarded at the end of October 2024. The construction on site will be paused, however, Orbex is currently in the process of agreeing with The Highland Council the monitoring and survey work that they will require to undertake while the pause is in place. Orbex will maintain the site to ensure that we can return efficiently when the time is right.
- Orbex was asked to clarify its intentions for the Antenna Park on Ben Tongue, the future of the access track and why the Tongue Estates were not included in this meeting.

- PC reported that the Antenna Park on Ben Tongue is a key part of the Spaceport and the Spaceport could not operate without this. During the pause Orbex will continue to liaise with those parties that are directly related to the Ben Tongue part of the project.
- FG noted that The Tongue Estate had expressed an interest in joining the group as a landowner directly involved as a result of the new planning consent and asked members to advise if they have any issue with a representative joining as a non-core member of the group as per the Terms of Reference. Members to advise FG of their individual decisions by email by 28 February 2025

ACTION: MEMBERS

- FG opened the meeting to questions from the floor.
- PC was asked by Dorothy Prichard , on behalf of MCE, if he had met Anders Holch Povlsen following a comment he had made to her and David Oxley in July 2024, that he had been invited to a meeting. PC noted that he had spoken with Mr Povlsen about his objections to the planning permission and reconfirmed again that he was not an investor in Orbex.
- Orbex was asked if it could get extra capacity at SaxaVord beyond the 10 launched outlined.
 - PC commented that the total capacity at SaxaVord will be shared with other operators. The Orbex pad allows for up to 10 launches per year
- Orbex was asked how it intends to take forward arrangements at Ben Tongue if there is no lease/formal arrangement in place?
 - PC commented that he notified the landowner of our change in strategy in advance of the public announcement on 3 December and will continue to have an ongoing dialogue with them. He noted if there if there is no lease for Ben Tongue there shall be no spaceport.
- Orbex was asked to confirm the situation with jobs attached to the spaceport.
 - PC confirmed that Orbex planned to retain one PTE role based in Sutherland to support activity that will continue to be delivered e.g. oversee monitoring etc.
- Orbex was asked if it would have a new pad at SaxaVord and if it would be more expensive to launch from Shetland.
 - PC confirmed that Orbex will have a new, dedicated launch pad at SaxaVord.
 - PC responded that there will be some additional costs but in the short term it will be more efficient and cost effective to launch from SaxaVord. Capital investment costs will be reduced by pausing the construction of the Sutherland Spaceport.
- Orbex was asked if it Orbex could have a second pad at Sutherland?
 - PC confirmed that Orbex could need further capacity at Sutherland in the future and may consider a second pad here – however that is not in the current planning.
 - PC outlined the communications approach that Orbex had taken to support the change of strategy and the rationale behind this as some members were unhappy with the process.
 - PC reiterated again and reconfirmed that the decision to pause the spaceport was purely financial and allowed the company to focus on completion of Orbex Prime and an inaugural launch in 2025, no third parties were involved in the decision.
- David Oxley (DO), on behalf of HIE, confirmed that HIE were talking to Orbex and looking at options on how to take this matter forward. He noted options need to be agreed by the HIE Board and the Scottish Government. A discussion followed.
- DO asked the question whether the group would be open to alternative options for Sutherland spaceport. The general consensus noted was that the group wanted to see the spaceport construction completed and operational. Dorothy Prichard , on behalf of MCE, said that she wanted to see the site constructed and operational as soon as possible with an independent operator. The area was struggling and very fragile, as a result of depopulation and desperately needed investment (like the spaceport to be able to survive). A number of local businesses had made plans following Orbex's decision to build the spaceport.

6. To discuss and agree future meetings/group communications

- Penny Godfrey (PG), on behalf of Orbex, noted that the Terms of Reference state that full meetings of the group should be held at least biannually (one of which should be held in public).

A discussion followed.

- PC noted that in the short term there would be no further updates to provide the group however Orbex were committed to working with and sharing information with group. PG noted if there was progress outside the agreed meeting schedule Orbex propose to share a written update by email to group members. If the update is significant Orbex would propose to call an extraordinary meeting.
- Group members noted that they would also like to be kept up to date on relevant fundraising matters and the Orbex business plan, as they would like to understand if the proposed return in 2027/2028 was possible and likely. It was agreed that this topic should be added future agendas.
- PG noted that general Orbex information / and Community Liaison Group updates were also available on the Orbex website.
- The group agreed to keep the frequency of meetings to two per year (with one being a public meeting) and that that they would be happy to receive any updates out with this period by email.

7. To review and agree any amendments to Terms of Reference

- Further to the previous discussion it was agreed that no changes were required to the Terms of Reference.

8. AOB

- Additional questions submitted to the Tongue, Melness and Skerray Community Council by a local resident (Rachel Broughton) after the Chair's deadline for the submission of questions were raised:
- The group were asked if members of the public can attend future group meetings, how they will engage with the public/build trust and if sets of minutes prior to October 2023 can be made available.
 - PG advised that when Orbex took over the Secretarial Role from HIE the Terms of Reference for the group were amended (mid-2023) to include a public meeting and that the first of these took place in March 2024 (one member of the public attended). The next meeting of the group is due to be a public meeting and this will be advertised in advance through the local paper and the group members. HIE was the secretariat of the group until mid-2023 and prepared and published minutes.
- The group were asked what support the residents can expect to receive from the Community Liaison Group going forward and highlighted queries regarding the creation of the access track linking to the Ben Tongue track.
 - The interim Chair reconfirmed that it was not the responsibility of the members to 'support' individuals but to share information and updates between other members of the Sutherland Spaceport Community Liaison Group and Orbex.
 - Should individual residents, have specific questions they should be raised via the Community Council. Residents can also attend future public meetings of the group, where questions can be asked via the Chair. PG advised that the Spaceport Project Manager has confirmed that the drystone dyke, referenced in the question, is of a sufficient distance from the new access road that it will be neither damaged or disturbed during the construction works.
 - PC confirmed that slides will be shared with the members.
 - FG thanked everyone again for attending.