

SFT Outcomes

Demonstrating progress with impact



2020 CASE STUDY

Outcome 04



Internationally mobile capital
is drawn in to invest in
projects and places across
Scotland

Host in Scotland

"A vibrant, modern datacentre industry forms a key part of Scotland's digital future. Data will be one of the key utilities of the 21st century and datacentres will be the engine rooms of the knowledge economy. They will help to enable the future growth of full fibre and 5G networks and will be key to harnessing the full economic potential of Artificial Intelligence and the Internet of Things."

Cabinet Secretary for Finance, Kate Forbes, MSP

Scotland has one international subsea cable that runs from Aberdeen to Stavanger in Norway via the oil platforms in the North Sea. It was installed to maintain resilience for communications in the oil and gas industry and has no significant commercial activity. While two other cables land on Scottish shores, they do not 'add or drop' data until they get to London, so are of little or limited benefit to Scotland.

By comparison, the rest of the UK has 53 subsea cable landing points.

Striving to meet its digital future, Scotland is at a significant disadvantage to the rest of the UK in its ability to compete in data management/storage. It was therefore considered vital that a new organisation should be established to develop the potential for new subsea infrastructure to land in Scotland to provide greater national resilience, develop new markets in Europe and the USA as well as deliver economic growth.

Created by the Scottish Futures Trust (SFT) in 2018, **Host in Scotland** (HIS) was set up to develop the nation's knowledge, presence and expertise in the datacentre and international connectivity sector.

In a very short space of time, HIS has developed a strong global contact base, identifying potential opportunities to attract international cable projects to land on Scotland's shores.

As a result of this work, an opportunity arose to land a spur cable in Scotland from a new subsea fiberoptic cable system being laid from Norway to Ireland (where originally there was no intention for the cable to land in Scotland).

SFT was able to participate in a Memorandum of Understanding with the main sponsor bodies (Celtic Norse, Aquacomms and Vodafone Iceland) and HIS's role was to identify how it could provide a public



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sector financial intervention to become a co-investor in the overall project and ensure that a landing to the north of Scotland would be an integral part of the route design.

In tandem with this work, SFT was having conversations with other interested parties, one of which was tidal energy company, Simec Atlantis. Simec Atlantis has a tidal energy generation facility off the coast of Thurso and was keen to develop a use case for its energy beyond the National Grid.

As the proposed Celtic Norse cable was to pass close to this facility, SFT introduced the parties to highlight the ideal conditions for a datacentre facility in Caithness. As a result of this introduction and management of the relationships, SFT has been successful in reducing the requirement for public sector investment in the scheme. Simec Atlantis will now become the Scottish lead investor/landing party for the cable and will source finance from a range of sources.

When complete, the work of SFT and its many partners will have delivered new global connectivity and developed new partnerships with industry.

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