

**ANGUS COUNCIL**

**COMMUNITIES COMMITTEE – 29 SEPTEMBER 2020**

**UPDATE REPORT FOR THE MEMORANDUM OF UNDERSTANDING WITH BAKER HUGHES**

**REPORT BY STEWART BALL, DIRECTOR OF COMMUNITIES**

**ABSTRACT**

This report provides members with an update in regard to progress on projects set out in the Memorandum of Understanding (MoU) signed between Angus Council and Baker Hughes (BH) in December 2018.

**1. RECOMMENDATION**

1.1 It is recommended that the Committee:

- (i) Notes the progress made in relation to the projects set out in the Memorandum of Understanding signed between Angus Council and Baker Hughes in December 2018; and
- (ii) Authorises the Director of Communities to continue to work in partnership with Baker Hughes to deliver the remaining outcomes identified in the MoU.

**2. ALIGNMENT TO THE ANGUS LOCAL OUTCOMES IMPROVEMENT PLAN / CORPORATE PLAN.**

2.1 This report contributes to the following outcomes contained within the Angus Local Outcomes Improvement Plan 2017 -2030 and Corporate Plan.

**ECONOMY**

- A skilled and adaptable workforce
- Attractive employment opportunities

**PLACE**

- An enhanced, protected and enjoyed natural and built environment
- A reduced carbon footprint

**3. BACKGROUND**

On the 13 December 2018, Angus Council and BH signed a Memorandum of Understanding as a commitment to work positively together on future projects. The MoU represented a formalisation of positive partnership working over previous years which had seen significant investment into Montrose and Angus.

An update on the work arising from the MoU was brought before the Council's Communities Committee in May 2019. In June 2019 BH opened its Centre of Excellence (CoE) facility which delivers engineering, manufacturing, test and assembly and services to advance deepwater technology for customers. This represented a £31 million investment by BH supported by a £4.9 million grant from the Scottish government, through Scottish Enterprise. The upgraded and expanded campus enables BH to offer product innovation from design to delivery from one location servicing customers globally. A further information report was brought to the Communities Committee in November 2019.

This information report was delayed from May 2020 because of the Covid 19 pandemic. The associated lockdown has impacted the Baker Hughes Montrose sites though production has been able to continue throughout the lockdown period. Through the instigating of their Crisis Management Team and Business Continuity Plan, office-based staff were able to work from

home and operations at the CoE & Montrose Port were modified to adhere to government and HSE advice. From April onwards, reduced personnel were on site staff adhering to social distancing and wearing appropriate PPE to enable production & shipping activities. This also included specific clarifications with Police Scotland to allow shipments to go ahead following their sign off. A number of shipments have been successfully made from the site to international destinations without incident. Visitors to the site have been significantly reduced but where this is deemed business essential the visitors are required to complete a COVID health check before being allowed on site.

In addition to the Business Continuity Plan ensuring work continued at the site, Baker Hughes have made significant contribution to the production of visors and masks to be used as PPE. With over 30 shipments made from April onwards, PPE was provided to the NHS and to Baker Hughes locations locally and internationally.

#### **4. THE MEMORANDUM OF UNDERSTANDING**

The MoU sets out that Angus Council and BH will continue to collaborate and identifies key areas where Angus Council and BH will work together. A liaison group was formed that would have oversight of the MoU work with representatives from both parties that would meet on a regular basis.

Five specific projects were identified to be pursued under the MoU, each with an objective / overview, timeline, named persons from Angus Council and BH and other partners identified.

The five projects were:

- Employee Offer
- Campus Masterplan
- North Angus Masterplan
- Skills Development
- Community Engagement

Updates on each of the projects can be found below.

#### **5. PROJECT UPDATES**

##### Employee Offer

This project aims to bring together contacts, information, services and offers that would be available for employees of BH, including accommodation, transport, wellbeing and medical assistance.

A BH Montrose Centre of Excellence Welcome Pack has been published for the site and is issued to all employees and visitors. The pack includes a number of negotiated offers with local services that has increased over time.

An initial Master Supplier Agreement was signed with Impact Fitness offering discounted membership packages, lunch and learn sessions and classes on site. Rates have been agreed with a number of local hotels and guest houses. A formal agreement is in place with Lorimer Taxis for airport and local transfers. Contact has been made with a number of local restaurants and there are ongoing discussions regarding regular cycle services for the staff on the site.

The offers have not been used during the Covid 19 lockdown, but as suppliers open up again the ongoing negotiations will continue and usage monitoring will resume.

##### Campus Masterplan

This project looks at the three sites currently occupied by BH in Montrose to explore how they could develop in terms of their own potential, but also accessibility and connectivity.

Work has been undertaken in relation to active travel planning, scoping out phases of works and initiatives as well as funding opportunities. Three phases of work have been identified:

1. Improvement pavement (cycle / walkway) infrastructure along the A92 between the North Baker Hughes Charleton Road Car Park and the layby at the adjacent Petrofac site.
2. Potential improved connection between the A92 and Forties Road by means of a cycle path.
3. Longer term improved connectivity to the A90.

The Council's Active Travel Co-ordinator is supporting the work and site surveys have been completed for phase 1 and 2 with detailed drawings available for phase 1. Funding has been approved by Baker Hughes for phase 1 and the potential start of phase 2.

Work is continuing on a small boundary land transfer request between Angus Council and Petrofac to enable Phase 1 to progress.

#### North Angus Masterplan

This project builds on the Campus Masterplan project and looks further afield in Montrose and North Angus to consider the potential for growth over the next 20 to 40 years.

The Council has launched its Engagement Hub for the Local Development Plan which signals the start of the process of reviewing the Local Development Plan adopted in 2016. The review will seek to take a place-based approach to planning Montrose (and other towns and areas in Angus) for the next 20-40 years.

The potential for a pilot Masterplan Consent Area for Montrose was included in the Heads of Terms of the Tay Cities Deal. Officers at the Council have considered how this could be taken forward but there are now significant delays in the implementation of the relevant legislation that would allow this to happen. Work continues with Scottish Futures Trust (One Public Estate Project) who are exploring low carbon and green growth opportunities.

The North Angus Masterplan work also forms part of the Mercury Program which looks to increase productivity through clean growth, protecting places for future generations to live, work and visit. The masterplan is a fundamental part of Component 1 of the Programme which aims to develop a clean growth hub in North Angus. BH have been closely involved in the preparatory work for the Mercury Program as well as discussions on the various components and potential projects.

BH have also been active in other work undertaken in the area including taking part in discussions on the 'Integrated Green Energy Network in North Angus'. The BH UK facilities leader based at Montrose was able to share an overview of BH's net zero carbon goal and the activities being undertaken to achieve this locally.

#### Skills Development

This project seeks to ensure that BH can draw on a skilled workforce. Work will ensure the continued development of skills within the BH workforce and will focus on developing skills in and across the local community as part of the commitment to enhance local skills and employability.

The numbers of staff on the Montrose sites has risen from around 300 at the end of 2017 to just over 600.

The 2019 apprentice intake has completed their first year and are now starting placements onsite at the Centre of Excellence. The recruitment for 2020 has not taken place due to market dynamics and issues associated with the Covid 19 lockdown.

The Montrose Learning and Development Centre (MLDC) has seen a significant amount of activity with 118 courses / events with 921 attendees in Quarter 1 of 2020. Quarter 2 of 2020 saw a focus on maintaining regulatory training and certification for shop floor personnel and a conversion of content from classroom based to virtual instructor or web-based content. 103 courses or events were run (50% of these virtually) with 1160 attendees.

In Quarter 3 the programme of virtual instructor led leadership and personal development training has been developed and the conversion of classroom-based training content to digital format continues wherever practical.

In June 2020 the Baker Hughes team won a DYW Recognition award under the Business category for the STEM activities undertaken with Montrose Academy. The award recognized the genuine interest Baker Hughes had demonstrated in developing pupils through their secondary school journey including help with CVs, personal branding and input to the school's Pathways and Positive Destinations Evening.

Baker Hughes have continued to engage with Montrose Academy to explore suitable options for the continuation of STEM projects and activities utilising remote connectivity. As schools return, the program is adapting to a condensed offering to allow the young people to

reestablish their core curricular activities and require a reduced need to draw on the teaching staff support.

### Community Engagement

This project will contribute to BH being an employer of choice that is connected and involved in the communities of Montrose. A number of objectives have been defined including:

- To create opportunities for BH to inform the community on what they do as a global business and what they are doing locally through open days, apprenticeships and community work.
- To build a greater awareness of BH's existing STEM programmes.
- For BH to be visible and to contribute to local community cohesion.
- To enable BH staff to take part in volunteering and therefore contribute and support local projects, enabling those projects to maximise their impact.

2019 activity included volunteer days at Montrose Playhouse, garden projects at Little Beehive Nursery and Fordmill Care Home and garden projects for Macmillan and Stracathro Hospital.

2020 activity included mock interviews at Montrose Academy in conjunction with the Rotary Club. Further engagement with the Rotary Club included a site visit. Support has also been offered to the Christmas lights effort in Montrose.

Whilst face to face activities have been suspended due to Covid 19, remote engagement with the Rotary Club has continued and there has been early discussion with Macmillan on the Stracathro Garden with socially distanced activities being planned where possible. Baker Hughes will continue to work closely with the Council's Communities Team moving forward.

### Next steps:

Work will continue on all five projects outlined above.

## **6. FINANCIAL IMPLICATIONS**

6.1 There are no financial implications arising from this report

## **7. OTHER IMPLICATIONS**

7.1 There are no other implications arising from this report.

## **8. CONSULTATION**

8.1 The Chief Executive, Depute Chief Executive, Director of Finance and Director of Legal & Democratic Services have been consulted in the preparation of this report.

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