

Title: Project Change Request – High Voltage Cable Infrastructure Project
Portfolio: Home of Green Energy Revolution
Responsible Director: Mags Scott, Director of Finance and Investment
Report Author: Lewis Evans, Programme Manager (Clean Energy Strategy)

Report Summary

The purpose of this report is to approve a Project Change Request (PCR) relating to the High Voltage Cable Infrastructure Project, delivered by the Offshore Renewable Energy Catapult. The PCR seeks an additional £150,000, from the North East Mayoral Strategic Authority (North East MSA) Investment Fund, supported by £87,000 recipient match funding.

Recommendations

The Chief Executive is recommended to approve:

- An additional £150,000 of Investment Fund allocation to meet increased project costs and support successful delivery, noting the recipient's confirmed £87,000 match funding contribution.

A. Executive Summary

On 23 July 2025 North East MSA published a Delegated Decision confirming £2.136m for the High Voltage Cable infrastructure project, funded through UK Shared Prosperity Fund. This project is to establish a high voltage cable testing facility at the Offshore Renewable Energy Catapult (OREC) site in Blyth. The facility is designed to support the pre-qualification process for subsea cables used in the offshore wind sector, a critical requirement for market readiness.

The project has strong alignment with regional and national priorities offshore wind, renewable energy, green manufacturing, and delivering infrastructure for UK energy security. It supports the growth of a key sector outlined in our Local Growth Plan and is directly linked to the mobilisation of JDR Cable System's new Blyth manufacturing plant, a £130m inward investment in the region.

The scope of work includes refurbishment of an existing building and external area at OREC, procurement and installation of key technical infrastructure including a new transformer and heating blocks, and integration with existing OREC high-voltage (HV) rig infrastructure.

The project was originally expected to become operational in 2026, with financial completion initially due in March 2026. Following delivery constraints, the project was granted an extension to 30 September 2026 and the PCR now proposes a revised financial completion date of 31 March 2027.

The Offshore Renewable Energy Catapult submitted a Project Change Request seeking an additional £150,000 from North East MSA, matched by £87,000 of funding from the Offshore Renewable Energy Catapult. The cost to complete the project has increased by £237,000 with the final value based on supplier tender return. This reduces risk of further cost escalations.

The UKSPF Internal Transition Year Programme Board agreed a funding swap with an existing project funded through the Investment Fund that has spent capital funding within current timeframes. The swap keeps UKSPF expenditure within the eligible period and enables the Offshore Renewable Energy Catapult to continue delivery to 31 March 2027.

B. The Investment Proposal – Project Change Request

Summary of proposed changes are as below:

	Original Position	Revised Position	Variance
Financial Completion Date	30 September 2026	31 March 2027	6 Months
UKSPF allocation	£2,136,000	£658,814	-£1,477,186
Investment Fund	£0	£1,627,186	+£1,627,186
Total North East MSA Funding	£2,136,000	£2,286,000	£150,000
Offshore Renewable Energy Catapult	£0	£87,000	+£87,000
Total Project Cost	£2,136,000	£2,373,000	£237,000

C. Outputs and Outcomes

Outputs and outcomes remain unchanged and aligned with the original contracted targets.

Outputs	26/27	Total
OP1 - Amount of commercial space completed or improved	3000	3000
OP5 - Number of amenities /facilities created or improved	1	1
Direct jobs created	2	2
Number of enterprises supported to introduce new-to-market products	1	1

D. Potential Impact on North East Mayoral Strategic Authority Objectives

The project remains fully aligned with the North East Mayoral Strategic Authority's strategic priorities to support innovation, clean energy and regional economic growth. The pre-qualification High Voltage Test Facility will strengthen the region's high-voltage testing capability, enabling the development and commercialisation of offshore renewable energy technologies while supporting inward investment and supply chain growth.

E. Key risks

Key risks have been assessed and predominantly relate to:

- Full delivery by 31 March 2027;
- Procurement and supply chain risk;
- Funding eligibility and compliance risk;
- Impact if the facility is not operational as planned.

These risks are mitigated by the procurement for the key component being at preferred supplier stage and by the revised milestone plan, which supports completion by 31 March 2027.

F. Corporate Implications

F1. Financial and other resources implications

Updated financial tables are set out below, showing the original financial position and the new financial position as set out in the PCR.

The revised position reallocates £1,477,186 of the original UKSPF allocation to the Investment Fund and adds £150,000 of additional Investment Fund support, resulting in a revised North East MSA funding total of £2,286,000.

Currently approved:

Funding source	25/26	26/27	Total
North East MSA UKSPF Capital	£2,136,000	£0	£2,136,000
North East MSA Investment Fund	£0	£0	£0
Total North East MSA Funds	£2,136,000	£0	£2,136,000
Offshore Renewable Energy Catapult	£0	£0	£0
Total (£)	£2,136,000	£0	£2,136,000

Agreed change:

Funding source	25/26	26/27	Total	Variance
North East MSA UKSPF Capital	£658,814	£0	£658,814	£-1,477,186
North East MSA Investment Fund	£0	£1,627,186	£1,627,186	£+1,627,186
Total North East MSA Funds	£658,814	£1,627,186	£2,286,000	£+150,000
Offshore Renewable Energy Catapult	£0	£87,000	£87,000	£+87,000
Total (£)	£658,814	£1,714,186	£2,373,000	£+237,000

F2. Legal implications

The Monitoring Officer has been consulted regarding this report.

F3. Equalities implications

The project continues to operate in line with originally approved project, with no change to equalities position.

F4. Consultation and engagement

Consultation and engagement with key internal and external stakeholders has taken place through the UKSPF Programme Board.

G. Appendices

None

H. Background papers

Delegated Decision Report – July 2025 – MCA Capital: [Delegated Decisions](#)

I. Contact officers

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J. Glossary

North East MSA: North East Mayoral Strategic Authority

PCR: Project Change Request
UKSPF: UK Shared Prosperity Fund
MHCLG: Ministry of Housing, Communities & Local Government

K. Consultee

Cabinet Member:	Director/Head of Service:	Director of Finance and Investment:	Monitoring Officer:
Yes	Yes	Yes	Yes