

# ISLANDS GROWTH DEAL JOINT COMMITTEE

Minute of Meeting held through Microsoft Teams, on Wednesday, 20 April 2022 at 4.00pm.

## PRESENT

CLlr Roddie Mackay (Chair) Comhairle nan Eilean Siar  
CLlr James Stockan (Vice-Chair) Orkney Islands Council  
CLlr Steven Coutts, Shetland Islands Council  
CLlr Alastair Cooper, Shetland Islands Council  
CLlr Graham Sinclair, Orkney Islands Council  
CLlr Donald Crichton, Comhairle nan Eilean Siar

## APOLOGIES

Ms Louise Shearer, Shetland Islands Council  
Mr Gavin Mitchell, Orkney Islands Council

## OFFICERS IN ATTENDANCE

Ms Maggie Sandison, Shetland Islands Council  
Mr Neil Grant, Shetland Islands Council  
Ms Louise Shearer, Shetland Islands Council  
Mr Jamie Manson, Shetland Islands Council  
Mr Jan Riise, Shetland Islands Council  
Mr John Mundell, Orkney Islands Council  
Mr Gareth Waterson, Orkney Islands Council  
Mr Sweyn Johnston, Orkney Islands Council  
Mr Malcolm Burr, Comhairle nan Eilean Siar  
Mr Tim Langley, Comhairle nan Eilean Siar  
Mr Derek Mackay, Comhairle nan Eilean Siar  
Ms Charlene MacMillan, Comhairle nan Eilean Siar  
Ms Anne Murray, Islands Growth Deal Programme Director

## MINUTES

Minute of Meeting of 23 February 2022	1	The Minute of the Meeting of 23 February 2022 was <b>approved</b> .
Declaration of Interest	2	There were no declarations of interest.
Quarterly Programme Update	3	Ms Anne Murray, Islands Growth Deal Programme Director, provided a programme update. Ms Murray noted that the focus of business had been on the submission of Outline Business Cases (OBC) to the UK and Scottish Governments, ahead of full sign-off on the Deal in October 2022. 13/17 Outline Business Cases had now been submitted to both Governments, and a further 2 would be considered as part of the meeting. Ms Murray noted that feedback on OBCs had been positive, with no fundamental issues identified. Project Leads were ensuring feedback was being addressed in version 2 submissions. It was noted that 2 Outline Business Cases, Outer Hebrides Campus and Shetland Campus, had been approved to Full Business Case stage.
Outline Business Cases	4(a)	<u>Orkney Vertical Farm</u>  Mr Gareth Waterson, Corporate Director for Enterprise and Sustainable Regeneration, Orkney Islands Council, and Ms Anne Murray, Islands Growth Deal Programme Director

submitted a Report which sought approval to submit the Outline Business Case for the Orkney Vertical Farm to UK and Scottish Governments. The Report stated that the Outline Business Case sought £2 million capital funding through the Islands Deal to deliver the Orkney Vertical Farm project. The Orkney Community Vertical Farm project is focused on agricultural innovation, creating an islands' vertical farm with associated research and development laboratories and business incubation facilities based at the UHI Agronomy Institute in Orkney. The project draws on world-leading technological expertise from Intelligent Growth Solutions and world-class research from the James Hutton Institute.

Vertical farming is an indoor farming technique where crops are produced in vertical structures to increase production per square metre. The environment is controlled (lighting, ventilation, and water/nutrient provision). Vertical farming often incorporates hydroponic or aeroponic growing systems rather than traditional growing media. Leafy greens are currently the most common crop, but research is in progress on a range of other plants, fish, insects, and algae.

The Report stated that the investment objectives for the project are:

- To create a research facility that will accelerate development of the vertical farming sector by enabling the integration of vertical farming technology with renewable energy production.
- To enhance the research and innovation capacity of the Orkney Islands and the region.
- To create sustainable, high-quality green jobs on the Orkney Islands
- To provide an alternative source of fresh, locally produced food for Orkney.
- To establish Orkney as a global centre of expertise in vertical farming renewable technology.

It was noted that the cumulative economic impacts for the preferred option included Net Present Values of:

- £5.2 million GVA and 112 years of employment in the Orkney Islands;
- £6.5 million GVA and 147 years of employment in the Scotland; and
- £17.8 million GVA and 579 years of employment in the UK.

Mr Waterson noted the identification of the renewable source and siting remain a concern and are currently a medium/high risk in terms of the project.

The Report further stated that the projected capital costs of the Orkney Vertical Farming project are £3.7 million. This includes £1.4 million for tower construction and a further £0.2 million for connecting the towers to the electricity grid. The Islands Deal will also provide £0.4 capital Research and Development funding towards the research activities carried out at the Orkney Vertical Farm. This will support the work of two researchers over a five-year period.

**It was agreed:**

- (1) to approve the submission of the Orkney Vertical Farm OBC to Scottish and UK Government;**
- (2) to note that the OBC will be subject to a process of feedback from both Governments; and**
- (3) to note that the final version of the OBC will be presented to the Islands Growth Deal Programme Board and Joint Committee.**

#### 4(b) Knab Redevelopment

Mr Neil Grant, Director for Development, Shetland Islands Council, and Ms Anne Murray, Islands Growth Deal Programme Director, submitted a Report which sought approval to submit the Outline Business Case (OBC) for the Knab Redevelopment project to UK and Scottish Governments. The Report stated that the Shetland Knab Redevelopment project aims to go beyond creating a simple housing project with ancillary services, by delivering a mixed-use site that embeds living and ageing well, creative innovation, wellbeing and a dynamic use of public space alongside future fit housing that enables a flexible approach to work and life. The development will enhance the existing offer of Lerwick and will provide additional facilities that will support the ambition of Shetland into the future. The Report stated that the proposals include:

- 142 housing units, with Islands Deal funding enabling provision of a housing development that is future-fit, including energy efficient housing, technology assisted living, spaces for homeworking, network improvements and electric vehicle charging points.
- 43-bedroom student accommodation facility through repurposing of the Janet Courtney Hostel.
- Creative Hub facilities through repurposing of the Anderson Institute.

The development will not only enhance the life of the future residents of the site, but also those who interact with the space both as residents and visitors. It will set an ambitious standard for how Shetland and its communities will develop over the coming decades; ensuring 'People' and 'Place' are at the forefront of all that Shetland builds for its future.

The Report stated that the specific outcomes and associated performance indicators for the Project are:

- to recognise housing needs and provide suitable housing solutions in the Shetland Islands.
- to reduce the emissions associated with housing.
- to reduce the rate of fuel poverty.
- to increase the value that is generated by the creative sector within Shetland.
- to Increase the number of students retained and attracted to the Shetland Islands.

The Report further stated that the anticipated capital costs of the Knab redevelopment project are £45.02, with a funding contribution from the Islands Deal of £9.6m.

**It was agreed:**

- (1) to approve the submission of the Knab Redevelopment OBC to Scottish and UK Government;**
- (2) to note that the OBC will be subject to a process of feedback from both Governments; and**
- (3) to note that the final version of the OBC will be presented to the Islands Growth Deal Programme Board and Joint Committee.**