

ISLANDS GROWTH DEAL JOINT COMMITTEE

Minute of Meeting held through Microsoft Teams on Wednesday, 26 October 2022 at 4.00pm.

PRESENT

Cllr Emma Macdonald, Shetland Islands Council (Chair)
Cllr Paul Steele, Comhairle nan Eilean Siar (Vice-Chair)
Cllr James Stockan, Orkney Islands Council
Cllr Donald Crichton, Comhairle nan Eilean Siar
Cllr Dennis Leask, Shetland Islands Council

APOLOGIES

Cllr David Dawson, Orkney Islands Council

OFFICERS IN ATTENDANCE

Ms Anne Murray, Islands Deal Programme Director
Ms Charlene Macmillan, Comhairle nan Eilean Siar
Mr Erik Knight, Orkney Islands Council
Ms Hazel Tait, Shetland Islands Council
Ms Inga Burton, Orkney Islands Council
Mr Jan Riise, Shetland Islands Council
Mr John Mundell, Orkney Islands Council
Ms Kirsty Laing, Comhairle nan Eilean Siar
Ms Louise Shearer, Shetland Islands Council
Mr Malcolm Burr, Comhairle nan Eilean Siar
Mr Neil Grant, Shetland Islands Council
Mr Sweyn Johnstone, Orkney Islands Council
Mr Gareth Waterson, Orkney Islands Council

MINUTES

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| Minute of Meeting of 10 August 2022 | 1 | The Minute of the Meeting of 10 August 2022 was approved. |
| Declaration of Interest | 2 | There were no declarations of interest. |
| Quarterly Programme Update | 3 | Ms Anne Murray, Islands Deal Programme Director, delivered a short presentation providing a quarterly programme update. It was noted that all projects remained on track in line with the Programme Plan. Ms Murray noted that Friday, 20 January 2023 had been agreed with the UK and Scottish Government as the date for Full Deal sign off. Orkney Islands Council will host the signing of the Deal, and it is anticipated that a nominated minister from UK and Scottish Governments will attend the signing. |

In discussion, it was recognised that the signing of the Deal presented an opportunity to engage with both UK and Scottish Government on the Islands Deal and wider issues. It was noted that the Deal would be signed off by a nominated Minister from UK and Scottish Governments with involvement in the Deal, but that there was also an opportunity for the islands to also invite other senior Ministers. It was agreed that it would be appropriate to issue an invitation to Mr Michael Gove MP, Secretary of State for Levelling Up, Housing and Communities and Minister for Intergovernmental Relations to re-open engagement in relation to a range of topics to benefit the islands, including the Islands Growth Deal and Levelling Up, and in recognition that the Islands Deal was the highest per-capita investment of any of the Scottish growth deals.

Ms Murray noted that communication officials from each island authority had met with communication officials from the UK and Scottish Governments to discuss the coordination of the Deal sign off.

It was noted that Comhairle nan Eilean Siar had provided accountancy support to the Islands Growth Deal on a 0.4fte basis, and a full-time Project Officer had been recruited in recognition that projects/ programmes would shortly be signed off and require enhanced resourcing. Ms Murray noted that a Report would be submitted to the Joint Committee in November in relation to the monitoring and evaluation of projects/ programmes in terms of impacts, benefits, GVA etc.

Ms Murray noted that the most significant risks within the Programme Risk Register had been identified as:

- Increased construction costs (for example due to BREXIT and COVID 19) and / or difficulty in securing contractors.
- Islands Deal projects being unable to secure match funding.
- Moving to Final Business Case and project delivery – inadequate resources or capacity within local authorities and other partners to support FBC development, project development and project delivery.
- Deal targets for job creation, net zero, and population retention are not met.

It was noted that work was being delivered by islands authorities, projects and programmes to manage identified risks.

It was agreed that:

- (1) Ms Anne Murray, Islands Deal Programme Director, would draft a letter on behalf of the Islands Growth Deal inviting the Mr Michael Gove MP, Secretary of State for Levelling Up, Housing and Communities and Minister for Intergovernmental Relations to attend the Deal sign off in Orkney, to re-open engagement in relation to a range of topics to benefit the islands – the finalised letter would be signed by the Leaders of each island authority; and**
- (2) the Islands Growth Deal Communications Group would continue to meet to finalise the arrangements for the Islands Growth Deal sign off.**

Final Documents Deal 4

Ms Anne Murray, Islands Deal Programme Director, submitted a Report which detailed the finalisation of the Final Deal documentation, and provided an opportunity for further feedback in advance of final versions being presented to the Committee for approval in November 2022. The Report noted that it is proposed that final approval of the remaining Outline Business Cases (OBCs) and Final Deal documents will be sought at the November meetings of the Programme Board and Joint Committee (21st and 23rd November). Government approval of remaining OBCs and sign off on Full Deal documents will therefore be required in advance of this, and by 14 November 2022. Approval of Final Deal documents at the November Programme Board and Joint Committees is required to allow lead in time for ministerial approval in order for the 20 January 2023 Deal signing to be achieved. Ms Murray noted that there was scope for feedback on the documents appended to the Report prior to submission to the UK and Scottish Governments.

It was agreed:

- (1) to note the final draft Full Deal documents as Appended to the Report and provide any feedback to Ms Anne Murray, Islands Deal Programme Director by 12.00pm on Friday, 4 November 2022; and**
- (2) to note that final versions will be presented to the Programme Board and the Islands Growth Deal Joint Committee in November for approval.**

Approval of Final Outline Business Cases 5 Ms Anne Murray, Islands Deal Programme Director, submitted a Report which sought endorsement of final Outline Business Cases for inclusion within the Final Deal Agreement and associated documentation. The Report noted that ten of the sixteen Outline Business Cases had now been approved by the Joint Committee, with two of these now at Full Business Case stage ahead of submission to the UK and Scottish Governments.

The final six OBCs are on track for approval/ acceptance and will be presented to the Joint Committee in November 2022. The Report further stated that the final approval of OBCs rests with the Joint Committee as the principal decision-making body for the Islands Growth Deal.

The Report detailed substantive changes made to projects/ programmes including:

- *Shetland Campus Redevelopment* - This OBC was initially approved at V3 but then reworked and re-submitted to incorporate the Shetland Space Innovation Campus project, budget increased at that point to £3m and Shetland Space Innovation Campus was removed as a standalone project. The revised OBC and the proposed approach was approved by the Joint Committee and Programme Board.
- *Outer Hebrides Energy Hub* – the scope of the Islands Deal investment is now focused on Phase 2 as Phase 1 is anticipated to receive funding from the Green Growth Accelerator.
- *Outer Hebrides Food and Drink* – Kallin Harbour was removed as funding was secured elsewhere, and the intention is to allocate additional funding to Acarsaid.

It was agreed to give final Joint Committee approval to the final Outline Business Cases for inclusion within the Final Deal Agreement and associated documentation.

AOCB 6 The Chair, on behalf of the Islands Growth Deal Joint Committee commended the excellent work of officers in completing robust and detailed Outline Business Cases.

The Islands Growth Deal Joint Committee will next meet on Wednesday, 23 November 2022 at 4.00pm. The meeting will be held through Microsoft Teams.