

# ISLANDS GROWTH DEAL JOINT COMMITTEE

Minute of Meeting held through Microsoft Teams on Wednesday, 29 March 2023 at 4.00pm.

**PRESENT**

Cllr Paul Steele, Comhairle nan Eilean Siar (Vice-Chair, in the Chair)  
Cllr James Stockan, Orkney Islands Council  
Cllr David Dawson, Orkney Islands Council  
Cllr Dennis Leask, Shetland Islands Council  
Cllr Donald Crichton, Comhairle nan Eilean Siar

**APOLOGIES**

Cllr Emma Macdonald, Shetland Island Council

**OFFICERS IN ATTENDANCE**

Ms Anne Murray, Islands Deal Programme Director  
Ms Charlene Macmillan, Comhairle nan Eilean Siar  
Mr Doug Rattray, UHI Outer Hebrides  
Ms Elaine Mackenzie, Comhairle nan Eilean Siar  
Ms Erik Knight, Orkney Islands Council  
Mr Gareth Waterson, Orkney Islands Council  
Ms Louise Shearer, Shetland Islands Council  
Ms Maggie Sandison, Shetland Islands Council  
Mr Malcolm Burr, Comhairle nan Eilean Siar

## MINUTES

Minute of Meeting of 8 March 2023      1      The Minute of the Meeting of 8 March 2023 was approved.

Declaration of Interest      of      2      There were no declarations of interest.

Outer Hebrides Campus Redevelopment Project      3      Mr Doug Rattray, UHI Outer Hebrides, delivered a presentation in relation to the Outer Hebrides Campus Redevelopment Project. The proposal seeks to secure investment of £1.5m from the Islands Growth Deal as part of a £2m project - Comhairle nan Eilean Siar, and Highlands and Islands Enterprise are anticipated to provide £500k combined. The project seeks to upgrade and expand the existing facilities and learning technologies on offer at the UHI Outer Hebrides, to support the delivery of a modern curriculum. In addition, the funding will be used to expand distance learning capabilities and enhanced mobile equipment and facilities.

Mr Rattray noted that the project involved five key developments:

- Technology and Innovation Centre - transformation of the existing workshop facilities at the Stornoway campus to enable the delivery of a range of innovative curricula, with a focus on high-tech digital engineering, robotics and 3D printing. This provision would retain the existing curriculum successfully delivered within the workshop, welding, joinery, electrical works etc.
- Student Hub – based at the Stornoway Campus, an area will be developed where students can socialise and engage in collaborative or student-led learning.
- Newton Room – a specialised teaching space that acts as a shared STEM resource for local schools in the community.
- Immersive Classroom – based at the Stornoway Campus, this will develop a 360°, multi-sensory, digital environment. The configurable teaching environment has the

potential to deliver deeply engaging education material spanning subject areas and academic levels.

- Mobile Equipment and Facilities – a range of mobile facilities and equipment which can be transported to any suitable venue including schools, community halls, and business premises. This would extend the STEM offering delivered through the Newton Room and Immersive Classroom facility.

Mr Rattray noted that following approval of the Outline Business Case in October 2021, it is anticipated that the Full Business Case will be submitted for approval in April 2023. Work is ongoing in terms of tender and procurement to ensure that work can commence in June 2023, if approved. Mr Rattray noted that three bids had been returned as part of the tender report, with scoring of bids anticipated to be held in April 2023. Mr Rattray noted that some elements could be prioritised if tenders did not fall within the agreed budget, and that options for external funding would be explored to deliver these at a later date if required.

The Chair, on behalf of the Joint Committee, thanked Mr Rattray for what was a detailed and informative presentation.

**It was agreed to note the update.**

Full Business Case  
Submission  
Schedule 4

With reference to item 3 of the Minute of the Meeting of 8 March, Ms Anne Murray, Islands Deal Programme Director, provided an overview of the status of Full Business Cases (FBC).

Ms Murray noted that the Islands Centre for Net Zero was progressing on track, and it is anticipated that a claim to release designated funds for 2022/23 will be made by 31 March 2023.

It was noted that discussions are ongoing in relation to the Outer Hebrides Food and Drink Programme. An application had been submitted to the UK Seafood Fund for match funding to support the development at Acarsaid Pier.

MS Murray noted that the University of the Highlands and Islands (UHI) had commissioned a consultant to support the TalEntEd and Shell-volution FBC, and that this work was ongoing. It is anticipated that the Shell-volution FBC will be submitted to the Joint Committee in May 2023, and the TalEntEd FBC will be submitted to the Joint Committee in June 2023.

It was noted that the Shetland Campus Redevelopment was seeking a project manager to lead on the project. Learning from the Outer Hebrides Campus Redevelopment will benefit the project.

Ms Murray noted that a funding bid to the Levelling Up Fund to support the Outer Hebrides Destination Development programme had been unsuccessful and that it was anticipated that projects within the Destination Development programme would come forward individually as and when match funding packages was secured.

**It was agreed to note the update.**

Full Business Case -  
Islands Centre for  
Net Zero 5

Mr Gareth Waterson, Corporate Director of Enterprise and Sustainable Regeneration, Orkney Islands Council, and Ms Anne Murray, Islands Growth Deal Programme Director submitted a Joint Report which sought approval of the Full Business Case (FBC) for the Islands Centre for Net Zero.

The Report noted that the Islands Centre for Net Zero (ICNZ) is a cross-island programme within the Islands Growth Deal, which has been allocated up to £16.5m of funding (£500k Scottish Government / £16m UK Government).

The Report indicated that there had been no substantive changes in the scope of the Project since the Outline Business Case, and that there remained significant scope for transformational impact across a range of key issues for the three island groups due of the investment, including fuel poverty, decarbonisation of transport, and achievement of net zero, in addition to the GVA benefits which are anticipated to arise.

Mr Waterson noted that £8.2m of the £16.5m funding was sought at this time, with approval for remaining funding being sought at a later phase of the project. The Scottish Government and the UK Government had approved the FBC.

**It was agreed to:**

- (1) approve the Islands Centre for Net Zero Full Business Case as appended to the Report;**
- (2) note that at this point approval is sought in relation to £8.2m of the £16.5m funding for the ICNZ Programme and that this relates to £6.5m of ICNZ activity in Orkney and £1.7m of activity in the Outer Hebrides; and**
- (3) note that future approval will be sought in relation to capital energy transition projects in Shetland (£5m) and the Outer Hebrides (£3.3m) once the business case for these has been developed.**

Financial Plan and  
Bi-annual Financial  
Forecast

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Ms Anne Murray, Islands Deal Programme Director, submitted a Report which sought approval of the February 2023 bi-annual financial forecast for the Islands Growth Deal, and of the proposed approach for managing the Islands Deal spend profile as Full Business Cases (FBCs) are submitted. The Report indicated that the Scottish Government require submission of a bi-annual financial forecast for the Islands Deal on 28 February and 31 August of each year.

The Report further indicated that following discussion with the relevant Project Leads, amendments to the 23/24 funding draw down had been requested from Scottish Government, with a reduction of £450,795 on what the Islands Deal was initially projected to draw down in 23/24. Ms Murray noted that there were no obvious opportunities to accelerate drawdown by other projects at this stage in the process. This money will be carried into future years funding. Ms Murray noted that there would be no opportunity to overspend within a certain year's allocation, and that no issues were anticipated to arise due to the underspend.

**It was agreed:**

- (1) to approve the proposed 23/24 bi-annual financial forecast;**
- (2) that any further amendments following feedback from Scottish Government be agreed by the Islands Deal Finance Officers Group; and,**
- (3) to approve the approach to managing the spend profile for the Islands Deal as Full Business Cases are submitted.**