

ISLANDS GROWTH DEAL JOINT COMMITTEE

Minute of Meeting held through Microsoft Teams, on Wednesday, 8 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

APOLOGIES

Cllr Emma Macdonald, Shetland Islands Council (Chair)
Cllr Donald Crichton, Comhairle nan Eilean Siar

OFFICERS IN ATTENDANCE

Ms Anne Murray, Islands Deal Programme Director
Mr Calum Iain MacIver, Comhairle nan Eilean Siar
Ms Charlene Macmillan, Comhairle nan Eilean Siar
Mr Erik Knight, Orkney Islands Council
Mr Gareth Waterson, Orkney Islands Council
Ms Inga Burton, Orkney Islands Council
Mr Jan Riise, Shetland Islands Council
Ms Laura Hutton, European Marine Energy Centre (EMEC) Ltd
Ms Louise Shearer, Shetland Islands Council
Ms Kirsty Laing, Comhairle nan Eilean Siar
Ms Maggie Sandison, Shetland Islands Council
Mr Malcolm Burr, Comhairle nan Eilean Siar
Mr Neil Grant, Shetland Islands Council
Mr Oliver Reid, Orkney Islands Council

MINUTES

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| Minute of Meeting of 25 January 2023 | 1 | The Minute of the Meeting of 25 January 2023 was approved. |
| Declaration of Interest | 2 | There were no declarations of interest |
| Full Business Case RAG Status | 3 | <p>Ms Anne Murray, Islands Deal Programme Director provided an overview of the status of Full Business Cases (FBC). It was noted that the Full Business Case for the Islands Centre for Net Zero (ICNZ) was with the Scottish and UK Governments for final approval. Ms Murray noted that the ICNZ was a pan-island project and as an initial project at FBC status, allowed for any lessons learned to be reviewed by each island authority.</p> <p>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 demonstrated the UHI's commitment to each project. The Scottish Government had noted their agreement with the Outer Hebrides Campus Redevelopment. Final costs on the project are awaited, and it is anticipated that the FBC will be brought before the Joint Committee for approval in April 2023, on the basis that no significant additional costs are identified. Ms Murray noted that UHI Outer Hebrides had appointed a Project Manager to support the redevelopment, again demonstrating the UHI's commitment to IGD projects.</p> <p>Ms Murray noted that a number of projects within the IGD required match-funding, which could impact on delivery timescales if funding is not identified within planned timescales. It was noted that work was ongoing within each project in relation to funding options.</p> |

Presentation on 4
Islands Centre for
Net Zero

Ms Laura Hutton, Project Director for the Islands Centre for Net Zero (ICNZ) delivered a presentation relation to the Islands Centre for Net Zero Project. Ms Hutton noted that the ICNZ was a pan-island, distributed innovation centre supporting Orkney, Shetland and the Outer Hebrides to decarbonise through: a data exchange for islands data to provide a baseline from which to measure our progress; transition labs applying research methodologies where best route forward unclear/too difficult; demonstrations where methods or technologies need to be tested in a controlled environment beyond the lab. Community hubs where people across the islands can interact with and steer the ICNZ's focus; capital investment where carbon downshift solutions known; and an Islands accelerator where additional funding is identified and matched with ideas emerging from across the project. The project is due to commence formally in April 2023 and will be delivered over a 10 year period, through £16.5m in IGD funding (11.6 Capital and 4.9 Capitalised Research and Development).

Ms Hutton noted that the ICNZ project had a broad scope, which will require leveraging of new investment during the project lifespan. In addition to accelerated decarbonisation across the islands group, the project will deliver the development of renewable supply chains (approx. £150m GVA) and support Islands Deal projects' achievement of decarbonisation goals. The expertise and capabilities established through the project will be transferrable beyond the island areas.

Ms Hutton noted that risks to the project included administration (the need to minimise duplication whilst maintaining reporting transparency to all partners) regulation (the need to understand, anticipate and influence regulatory change where applicable) and learning and skills (the need to capture lessons learned from other places/projects and ensure a robust feedback loop is in place).

Ms Hutton noted that options to pool resources and support other projects in the Islands Growth Deal to achieve net zero would be explored. Talks are already ongoing with other projects across the Islands Growth Deal in relation to joined up working in the development of supply chains, and links with projects of a similar nature e.g. TalEntEd, Vertical Farm and Shell-volution.

The Chair, on behalf of the Islands Growth Deal Joint Committee thanked Ms Hutton for what was a detailed and informative presentation.

It was agreed that a dedicated briefing session in relation to the work of the Islands Centre for Net Zero would be arranged for project leads for all projects within the Islands Growth Deal.

Programme 5
Management
Office Budget
23/24

With reference to item 4 of the Minute of the Meeting of 23 February 2023 Ms Anne Murray, Islands Deal Programme Director, submitted a Report which sought approval of the Islands Growth Deal Programme Management Office budget for 2023/24. The Report noted that there is an expectation from Scottish and UK Government that local authorities fund the costs of delivering a Growth Deal in their area. The resource requirements agreed in February 2022, was based on liaison with other Growth Deals and a contribution of c£62k per Council was approved. Expenditure in the period was appended to the Report and noted this was £42.6k less than expected due to lower than anticipated spend on staffing and external consultants.

The Report further noted that the proposals for 23/24 reflect increased staff costs, and an allocation towards internal audit costs and the provision of administrative support to the Joint Committee.

Due to the stage in the programme, and the spend on consultants last year, it seems unlikely that there will be the same amount required for consultancy. The relevant budget holders in Orkney Islands Council, Shetland Islands Council and Comhairle nan Eilean Siar have confirmed that budget is available to cover each local authority's projected share of the costs in 23/24, which is c£66k (an increase of £4k each from each Council from 22/23).

In discussion, it was noted that the Scottish Government had noted that forecasted resource provision for the Islands Growth Deal could be too light in terms of the anticipated support required. It was recognised that Comhairle nan Eilean Siar, Orkney Islands Council and Shetland Islands Council were the three smallest local authorities in Scotland, and faced significant financial pressures. It was recognised that there would be merit in exploring additional funding options for enhanced provision for the Islands Growth Deal with the Government.

It was agreed:

- (1) to approve the Islands Growth Deal Programme Management Office budget for 23/24; and**
- (2) that the Chair of the Programme Board in consultation with the Joint Committee Chair and Vice-Chair would explore funding options for enhanced resources for the Islands Growth Deal in discussion with representatives from the Scottish Government.**

Date of Next Meeting 6

The Islands Growth Deal will next meet on Wednesday, 29 March 2023 at 4.00pm. The meeting will be held through Microsoft Teams.