

ISLANDS GROWTH DEAL JOINT COMMITTEE

Minute of Meeting held through Microsoft Teams on Wednesday, 10 May 2023 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 David Dawson, Orkney Islands Council
Cllr Dennis Leask, Shetland Islands Council
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
Ms Elaine Mackenzie, Comhairle nan Eilean Siar
Ms Hazel Tait, Shetland Islands Council
Ms Inga Burton, Orkney Islands Council
Mr Jan Riise, Shetland Islands Council
Mr Kenny MacDonald, University of the Highlands and Islands
Ms Kirsty Laing, Comhairle nan Eilean Siar
Ms Louise Shearer, Shetland Islands Council
Mr Malcolm Burr, Comhairle nan Eilean Siar

MINUTES

Minute of Meeting of 29 March 2023 1

The Minute of the Meeting of 29 March 2023 was approved.

Declaration of Interest 2

There were no declarations of interest.

Q4 Progress Report 3

Ms Anne Murray, Islands Deal Programme Director, delivered a presentation in relation to Quarter 4 Progress (January – March 2023). Ms Murray noted that work continued in line with the Programme Plan, and actions remain on track. It was noted that Full Business Case development and submissions forecast for next month had been identified as amber.

Ms Murray provided a brief summary of key developments across projects.

It was noted that the Islands Centre for Net Zero had been allocated a small level of funding as part of the project works for 2022/23. A Project kick off meeting, involving all partners was held in Orkney, and was positively received.

Ms Murray noted that the first project as part of the Outer Hebrides Primary Industries overarching project, Acarsaid Harbour, was awaiting the outcome of a funding bid to the UK Seafood Fund for match funding. A decision on this was anticipated by June 2023. Alternative match funding options are being explored in relation to the Food Hub project following an unsuccessful bid to the Levelling Up Fund.

It was noted that version 1 of the Creative Islands Wellbeing project was anticipated to be submitted to the Scottish and UK Governments by 31 May 2023. The capital elements remain scheduled for future years and Project Leads continue to work on match funding package required.

Ms Murray noted that the Full Business Case for the Shellvolution project was anticipated to be finalised in May 2023. The Full Business Case for TalEntEd is on track to be submitted by 30 June 2023. Both projects share the same consultant working across both projects.

It was noted that the SpacePort 1 Full Business Case would be finalised in June 2023, dependant on the outcome of the planning application and procurement exercise for private sector operator and construction contract.

Ms Murray noted that some project target dates within the overarching Outer Hebrides Destination Development had been revised to 2024/25 following an unsuccessful bid to the Levelling Up Fund, and as opportunities for new sources of match funding are explored.

Ms Murray noted that the projects were generating a more realistic position as progress is made, and that there is recognised slippage, as anticipated based on the outcome of some funding bids. There are no significant changes in terms of the risks identified as part of the Risk Register, with a recognition that securing match funding remained a challenge.

In discussion, it was recognised that the Islands Growth Deal did not provide a priority status in relation to submissions to national funds, but provided significant benefit in terms of the work carried out to ensure that business cases were competent, and ready to deliver vital projects to support communities. It was noted that representatives from the Scottish Government had indicated that there was no available funding commitment made for new developments. It was noted that the need for match funding had been recognised by both the Scottish and UK Government from the outset of the Islands Growth Deal, and that this should be promoted as a priority area in future national funding rounds.

It was agreed:

(1) to note the update: and

(2) the Islands Deal Programme Director would review match funding level requirements outstanding across projects.

TalEntEd Islands Programme 4

Mr Kenny MacDonald, UHI Outer Hebrides, delivered a presentation in relation to the TalEntEd Islands Programme. Mr MacDonald noted that TalEntEd aimed to fast track the decarbonisation of the islands by creating opportunities for education, skills, entra and intrapreneurship, and commercialisation supporting the in sustainable 'green' jobs. The programme is intended to: support young people in the islands leaving school and looking for opportunities in the emerging business sector linked to net zero; Older people that are needing to reskill/upskill transition into new opportunities; Women who will be impacted on more so as a result of COVID19; Employers who will have greater access to people in the islands with the skills to transition to net zero; and those working in the public sector and third sector through opportunities to develop ideas within intrapreneurship settings.

Mr MacDonald noted that the TalEntEd focussed on partnership working across the three key themes within the Islands Growth Deal. This included robust partnership working between the University of the Highlands and Islands (UHI), Robert Gordon University (RGU), and Heriot Watt University (HWU), who could be viewed as competitors in the main, in terms of working across the same markets, but were working together well to achieve positive outcomes through the programme.

It was noted that a number of work packages (WP) had been established within the TalEntEd programme:

- WP 1 – Innovative Islands Work Based Learning Model (UHI leading)
- WP 2 – Islands Entrepreneurship Network (RGU leading)
- WP 3 – Islands Innovation Commercialisation Programme (HWU leading)
- WP4 – Innovative Intrapreneurship Programme – (RGU leading)

Mr MacDonald noted that the TalEnEd Programme would require £6,548,000 in total to complete the project. £5.9m had been requested through the Islands Deal, with £648k to be leveraged in through local authorities (Intrapreneurship Work Package). The Programme cuts across all Islands Deal Projects but has specific alignment with the Island Centre for Net Zero. The programme will be delivered across 2023-2029. Mr MacDonald noted that there was an aim to frontload funding where possible across this period.

The Chair, on behalf of the Joint Committee thanked Mr MacDonald for what was a detailed and informative presentation. In discussion, it was recognised that TalEntEd was an excellent example of partners working together, with outcomes and benefits shared across island communities.

Islands Growth Deal: Liabilities for Accountable Body 5

Mr Tim Langley, Head of Law and Governance, Comhairle nan Eilean Siar, Head of Legal and Governance, Mr Gavin Mitchell, Orkney Islands Council, Executive Manager – Governance and Law, Mr Jan Riise, Shetland Islands Council and Ms Anne Murray, Islands Deal Programme Director submitted a joint report which sought approval of an amendment to the Islands Growth Deal Governance Agreement to ensure risk and potential liabilities that may arise from the Islands Growth Deal are shared across the three Constituent Authorities, noting that final approval will be sought from each of the three Constituent Authorities at Full Council level.

It was agreed to amend the Islands Growth Deal Governance Agreement as detailed at paragraph 2.5 of the Report, subject to final agreement being secured from each Constituent Authority within the Islands Growth Deal at Full Council meetings in June and July 2023.

It was agreed that the public, including the press, be excluded from the Meeting during consideration of item 6 on the grounds that exempt information as defined in Paragraph 8 of Schedule 7A to the Local Government (Scotland) Act 1973 namely information relating to the amount of any expenditure proposed to be incurred by a partner under any particular contract for the acquisition of property or the supply of goods or services.

Full Business Case Approval - Outer Hebrides Campus Redevelopment 6

Mr Calum Iain MacIver, Depute Chief Executive, Comhairle nan Eilean Siar, and Ms Anne Murray, Islands Growth Deal Programme Director, submitted a joint Report which sought approval for the Outer Hebrides Campus Redevelopment. The Report noted that Outer Hebrides Campus Redevelopment is a £2m project that has been allocated up to £1.5m of Islands Growth Deal funding from the Scottish Government. The project seeks to upgrade and expand the facilities and learning technologies on offer at Outer Hebrides UHI to support the delivery of a modern curriculum that meets the expectations of a 21st century student body, and covers 4 key developments:

1. Transform the Technology and Innovation Centre at the Stornoway Campus to enable the delivery of a range of innovative curricula.
2. Create a Student Hub at the Stornoway Campus where students can socialise and engage in collaborative or student-led learning.
3. Establish a Newton Room at the Stornoway Campus to provide high quality learning experiences for primary and early secondary school pupils in STEM subjects.
4. Develop a range of Mobile Facilities and Equipment that can be transported to remote venues in the Outer Hebrides, further enhancing the college's educational outreach offering.

It was noted that version 1 of the Business Case had been reviewed by the Scottish Government and reworked based on the recommendations received. Following procurement, the overall costs of the workstreams had increased and it had been necessary to carry out a value engineering exercise. This had necessitated the removal or reduction of some elements of the investment, but these amendments were felt to have a minimal impact on achieving the overall outcomes for the Campus Redevelopment as set out in the Business Case.

In discussion, it was recognised that value engineering and amendment to projects scope could be anticipated across all projects within the Islands Growth Deal, as construction, material and cost-of-living rates continued to increase.

It was agreed to approve the approve the Outer Hebrides Campus Redevelopment Full Business Case at Appendix 1 to the Report, subject to its approval by Scottish Government.

Date of Next Meeting

It was noted that the Islands Growth Deal Joint Committee would next meet on Wednesday, 28 June 2023 at 4.00pm. The meeting would be held through Microsoft Teams.