

ISLANDS GROWTH DEAL JOINT COMMITTEE

Minute of Meeting held through
Microsoft Teams, on Thursday, 12
October 2023 at 4.00pm.

PRESENT

Cllr James Stockan, Orkney Islands Council (Chair)
Cllr Paul Steele, Comhairle nan Eilean Siar (Vice-Chair)
Cllr David Dawson, Orkney Islands Council
Cllr Dennis Leask, Shetland Islands Council
Cllr Emma MacDonald, Shetland Islands Council

APOLOGIES

Cllr Donald Crichton, Comhairle nan Eilean Siar

OFFICERS IN ATTENDANCE

Ms Anne Murray, Islands Deal Programme Director
Ms Charlene Macmillan, Comhairle nan Eilean Siar
Ms Elaine Mackenzie, Comhairle nan Eilean Siar
Mr Erik Knight, Orkney Islands Council
Ms Hazel Tait, Shetland Islands Council
Mr Ian Fordham, Urras nan Tursachan (The Standing Stones Trust)
Ms Inga Burton, Orkney Islands Council
Mr Jan Riise, Shetland Islands Council
Ms Kirsty Laing, Comhairle nan Eilean Siar
Ms Louise Shearer, Shetland Islands Council
Ms Mairi Buchanan, Highlands and Islands Enterprise
Mr Malcolm Burr, Comhairle nan Eilean Siar
Mr Murdo Mackay, Comhairle nan Eilean Siar
Mr Oliver Reid, Orkney Islands Council
Mr Tim Langley, Comhairle nan Eilean Siar

MINUTES

Minute of Meeting of 30 August 2023 1

The Minute of the Meeting of 30 August 2023 was approved.

Declaration of Interest 2

There were no declarations of interest.

It was agreed that the public, including the press, be excluded from the Meeting during consideration of items 3 and 4 on the grounds that exempt information as defined in Paragraph 8 of Schedule 7A to the Local Government (Scotland) Act 1973 namely the amount of any expenditure proposed to be incurred by the partners under any particular contract for the acquisition of property or the supply of goods or services.

Presentation - Creative Islands Wellbeing Programme 3*

Ms Mairi Buchanan, Highlands and Islands Enterprise, and Mr Murdo Mackay, Comhairle nan Eilean Siar delivered a presentation in relation to the Creative Islands Wellbeing Programme. The presentation noted project objectives to:

- increase the availability of creative space for practitioners, to exploit their potential and stimulate growth in turnover and new jobs;
- enable a strong network of creative practitioners with access to markets, personal and professional development and support that can increase their creative output and economic sustainability;
- strengthen creative practice through research and innovation; and
- use creative practice to improve healthy ageing and wellbeing.

The project will establish Creative Practice Hubs (capital) in the Orkney Islands, Shetland Islands and Western Isles. Creative Practice Hubs will be facilitated in collaboration with NHS Health Boards, and workstreams will be established to deliver experimental approaches to: stimulate the creative economy across islands; create communities of practice; address population decline; synergise creativity, healthy aging and welling as an island unique selling point; expand international networks; strengthen historic links; integrate creative industry sites of production; energise and expand graduate learning and research programmes; and strengthen mutually supportive strategic links.

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

Presentation
Destination
Development
Programme
(Calanais)

- 4*

Ms Charlene Macmillan, Comhairle nan Eilean Siar, delivered a presentation which detailed a summary overview of the Outer Hebrides Destination Development Project. The project involves the development/ redevelopment of five capital projects across the Outer Hebrides to address business needs in relation to:

- the lack of good quality tourism attractions that tell the story of the people, land and Gaelic Heritage;
- gaps for indoor activities to support the extension of the tourism season in the islands beyond April – September;
- increased opportunities for visitor spend;
- appropriate employment opportunities for young people, and support to retain young people on islands; and
- support the Outer Hebrides in what is a competitive tourism sector, and generate truly authentic experiences for visitors.

Mr Ian Fordham, Urras nan Tursachan (The Standing Stones Trust) delivered a presentation in relation to the redevelopment and expansion of the Calanais Visitor Centre, one of the five capital projects included within the overarching Destination Development project.

The presentation noted that the Calanais Standing Stones were the number 1 visitor attraction to the Outer Hebrides, with a footfall of 197k people visiting the site in 2019, and an expectation that attendance will double following the development of the Stornoway Deep Water Port, and enhanced transport and infrastructure. The presentation noted that the Calanais Visitor Centre and related infrastructure (parking, walkways etc) had been built in 1995, and was no longer fit for purpose to meet enhanced local and visitor needs. It was noted that the upgrading, reconfiguring and extending of the visitor centre and its physical linkage with the Calanais Stones would:

- create a unified and significantly enhanced visitor experience;
- enhance the digital experience, develop bespoke educational resources and place the Story of the Stones within its national and international context;
- develop and expand guided and self-guided tours of the Calanais Standing Stones and of other archaeological sites and visitor attractions in the Western Isles; and
- develop community-based heritage research initiatives through the creation of an independent heritage fund for the wider Outer Hebrides.

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

Islands
Deal
Forum

Growth
Advisory

5

With reference to item 3 of the Minute of the Meeting of 26 January 2022, Ms Anne Murray, Islands Deal Programme Director, submitted a Report which provided an update in relation to the Islands Growth Deal Advisory Forum, and sought approval of the updated Terms of Reference for the Advisory Forum.

The Report noted that Advisory Forum membership would be reviewed on an ongoing basis to ensure a flexible response to opportunities; members would be supported to become more directly involved in relevant Project Business Case developments or governance structures as appropriate; the Advisory Forum would be chaired by one of its members; and the Chair would be involved on the Programme Board.

It was noted that the Chair of the Advisory Forum would be a named member of the Forum and that this would rotate on an annual basis. The Advisory Forum will initially be chaired by the representative from University of the Highlands and Islands (UHI) for the next twelve months.

It was agreed to note the developments with the Advisory Forum and agree the Terms of Reference as appended to the Report.

Schedule of 6
Meetings for 2024

Ms Anne Murray, Islands Deal Programme Director submitted a draft schedule of meetings for Islands Growth Deal Joint Committee meetings in 2024. The schedule noted a small reduction in the volume of meetings across the year, with a recognition that provision would be made to convene additional meetings as and when require.

It was agreed to approve the Schedule of Meetings for the Islands Growth Deal Joint Committee in 2024.

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

Quarterly 7*
Performance
Report

With reference to item 5 of the Minute of the Meeting of 14 July 2023, Ms Anne Murray, Islands Deal Programme Director, submitted a report which sought approval of the of the July-September 23/24 Quarterly Claim and Progress Report for the Islands Deal. Ms Murray delivered a presentation which highlighted key issues in terms of performance. The presentation noted areas of underspend across some projects, with a recognition that there could be opportunities to bring forward spend on other projects. It was noted that the Risk Register had been revised to include emerging risks.

It was agreed:

(1) that the Islands Deal Programme Director would share the presentation on the Quarterly Claim and Progress Report highlighting any key issues with the Joint Committee; and

(2) to approve the Quarterly Claim and Performance Report.

Programme 8*
Deliverability

Ms Anne Murray, Islands Deal Programme Director submitted a Report which sought approval for the process for reviewing the deliverability of projects within the Islands Growth Deal at key stages, and for progressing any recommendations for change that arise as a result. The Report noted that since the original suite of Islands Growth Deal projects were identified in the Heads of Terms, the external environment has altered dramatically, and market and supply chain turbulence has continued post signing of the Full Deal Agreement. The impacts of the Covid-19 pandemic, the war in Ukraine, the price of fuel and the impacts of double-digit inflation have seen costs escalate exponentially. At the same time, on-going public sector retrenchment has seen the potential for match-funding from local public bodies reducing significantly, increasing the need for projects to bid for external funds to in an exceptionally competitive landscape. Additionally, the external context and level of risk for some projects leads in terms of operational capacity and viability has changed.

The Report further noted that current experience in other Scottish Growth Deals (and in capital projects more generally across Scotland) is that project portfolios are having to be reviewed to determine what is realistic to progress within this environment. Scottish and UK Government have suggested that a similar review process be carried out across the Islands Deal Programme. In August 2023, the Islands Deal Programme Board discussed the need to have an agreed and transparent framework for assessing deliverability of Islands Deal projects, including how to manage a situation where a project becomes unviable. It has been proposed this be done through a snapshot of each project to assess level of deliverability risk, considering time, cost, and quality factors. Initial work on information gathering has commenced. However, in some cases, there will need to be dialogue with individual project leads to inform this exercise.

It was agreed that:

- (1) a framework and process be put in place for assessing the deliverability of projects within the Islands Growth Deal;**
- (2) a report will be provided to the Joint Committee in January summarising any initial recommendations arising from this assessment;**
- (3) consideration be given by each Council's Chief Executive regarding communication with Elected Members regarding this review exercise; and**
- (4) this process be carried out in dialogue with UK and Scottish Government and in line with the agreed change management process.**

Date of Next Meeting 9

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