

ISLANDS GROWTH DEAL JOINT COMMITTEE

Minute of Meeting held through
Microsoft Teams, on Tuesday, 16
January 2024 at 9.30am.

PRESENT

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

APOLOGIES

Cllr James Stockan, Orkney Islands Council

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 Inga Burton, Orkney Islands Council
Mr Jan Riise, Shetland Islands Council
Ms Kirsty Laing, Comhairle nan Eilean Siar
Ms Louise Shearer, Shetland Islands Council
Mr Malcolm Burr, Comhairle nan Eilean Siar
Mr Oliver Reid, Orkney Islands Council

IN ATTENDANCE

Mr David Amos, PlusZero
Mr David Macleod, Comhairle nan Eilean Siar
Mr Domhnall MacDonald, Comhairle nan Eilean Siar
Mr Iain Kennedy, Comhairle nan Eilean Siar

Tribute: Cllr James Stockan

Cllr Paul Steele, Vice-Chair, on behalf of the Islands Growth Deal Joint Committee, noted the valuable work of Cllr James Stockan, Orkney Islands Council in supporting the establishment and delivery of the Islands Growth Deal, the Joint Committee, and wider support for island communities, following the announcement that Cllr Stockan had elected to retire from his role as a Councillor.

MINUTES

Minute of Meeting of 12 October 2023 1 The Minute of the Meeting of 12 October 2023 was approved.

Declaration of Interest 2 There were no declarations of interest.

Presentation - 3 Mr Iain Kennedy, Comhairle nan Eilean Siar delivered a presentation in relation to the Outer Hebrides Food and Drink Programme, particularly the Acarsaid Harbour Improvement project. The Presentation noted that the aim of the overall programme was to deliver local food and drink markets and respond to sectoral opportunities linked to product diversification and value added, and to build economic resilience and community wealth and well-being. Mr Kennedy noted that the programme included a number of Capital projects, including the development of four food hubs – Lochboisdale, South Uist; Isle of Harris; and two Lewis based community growing projects – and four harbour and pier improvement initiatives – Acarsaid, Isle of Eriskay; Brevig, Isle of Lewis; Lochboisdale, Isle of South Uist, and Vatersay, Isle of Vatersay.

It was noted that the improvements to Acarsaid Harbour would provide life extension works to the existing pier and ensure the continued viability and secure use of crucial facilities on the pier, in what is a strategically significant harbour, with slipways accessing the southernmost fishing grounds in the east and west of the Hebrides. In addition, seven secure compounds for gear storage will be developed in recognition of the multiple sets of gear utilised from the harbour, required for the wider access to the varied sea life species in the area. It was noted that the Acarsaid Harbour Improvement project had been through procurement, and a main contractor is due to be appointed. Challenges to the programme include: match-funding, less funding being available, and some aspects of the project could be scaled down; cost-escalation; and payment formats.

It was agreed to:

(1) note the Presentation; and

(2) provide further information in relation to the number of job opportunities created as a result of the development to the Joint Committee following the meeting.

Presentation - 4
Creed Hydrogen
Skills and
Innovation Centre

Mr David Macleod, Comhairle nan Eilean Siar, and Mr David Amos, PlusZero delivered a presentation in relation to the Creed Hydrogen Skills and Innovation Centre. The Presentation noted that the aim of the Centre was to develop a unique, unique Public, Private and Academic Sector partnership to accelerate the development of the green hydrogen sector in the Outer Hebrides. The Centre will:

1. Create a reliable and commercially viable new green hydrogen and oxygen production facility that can support and encourage the adoption of hydrogen application technology on the Island.
2. Create a hands-on training and learning environment that supports UHI Lews Castle College deliver its SQA certified Hydrogen Technician Training courses:
 - start to build skills in the local workforce and supply chain to support future expansion of green hydrogen production.
3. Create a facility that will support the field testing of new prototype electrolyser technology and allow early access to next generation equipment.
4. Create a facility that will add value and learning for the wider ICNZ programme, and link with other projects including TalEntEd and initiatives across the three island authority areas.

The presentation detailed key elements of the project, including the need to establish a new, Comhairle owned building to house H₂ production equipment and facilities. This will allow the University of the Highlands and Islands to deliver ‘hands-on’ technical training, equipment testing and research. PlusZero, a market leading organisation in fully integrated and seamless Green Hydrogen solution, will own H₂ and O₂ production equipment within the Centre and will run the plant as a commercial operation. It was noted that the Centre will be ideally located in situ to existing supporting infrastructure, including a hydrogen refuelling station. The project is anticipated to cost £2.2m in total; £1.1m capital grant funding had been awarded from the Scottish Government’s Emerging Energy Technology Fund in May 2023. It was noted that new and refurbished equipment was anticipated to increase H₂ production from 12kg/day to approx. 120kg/day (and 1000kg of O₂/day).

Mr Macleod noted that discussions are ongoing with a large-scale, island based salmon producer in relation to the commercial supply of Green Oxygen to support, in-part, oxygen requirements for fish-farming in the Western Isles. In addition, work is ongoing in partnership with Herriot Watt University and the private sector to establish robust testing of an electrolyser over a twelve-month period, with a view to rolling out a on-site field test over a twelve-month period on site; this would generate income for further site development.

It was noted that discussions are ongoing with a market leading plant operative to test hydrogen refuelling for major plant onsite. In addition, work is ongoing to support a local major music festival in becoming the world's first major festival to operate without diesel, through increased hydrogen use in plant. In discussion, it was recognised that there are significant opportunities in relation to the supply of H₂ and O₂ across a diverse range of public and private sectors.

It was agreed to note the Presentation.

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.

Quarterly
Performance
Report

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With reference to item 7 of the Minute of 12 October 2023, Ms Anne Murray, Islands Deal Programme Director, submitted a report which sought approval for the October-December 23/24 Quarterly Claim and Progress Report for the Islands Deal. The presentation noted areas of underspend across some projects. There has been an increase in the number of Full Business Case submissions over the period and good progress is being made, with significant activity across projects. The presentation noted a summary overview of progress across each project within the Islands Growth Deal. In discussion, it was agreed that there would be merit in further follow up with Project Leads, where progress had been delayed.

It was agreed:

- (1) to approve the Quarterly Claim and Performance Report; and**
- (2) that the Islands Deal Programme Director would contact the Project Lead for any delayed project to consider the current status of delivery, and ensure that measures are in place to realign the project with agreed milestone outcomes.**

The Islands Growth Deal Joint Committee will next meet on Wednesday, 28 February 2024 at 4.00pm. The Meeting will be held through Microsoft Teams.