

ISLANDS GROWTH DEAL JOINT COMMITTEE

Minute of Meeting held through
Microsoft Teams, on Wednesday,
28 February 2024 at 4.00pm.

PRESENT

Cllr Paul Steele, Comhairle nan Eilean Siar (Vice-Chair – in the Chair)
Cllr Heather Woodbridge, Orkney Islands Council (Observing)
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

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
Ms Inga Burton, Orkney Islands Council
Mr Jan Riise, Shetland Islands Council
Ms Louise Shearer, Shetland Islands Council
Ms Maggie Sandison, Shetland Islands Council
Mr Neil Grant, Shetland Islands Council
Mr Oliver Reid, Orkney Islands Council

Welcome and Apologies

Cllr Paul Steele, Comhairle nan Eilean Siar (Vice-Chair) on behalf of the Islands Growth Deal Joint Committee, welcomed Cllr Heather Woodbridge, Orkney Islands Council to the Meeting. Cllr Woodbridge was recently elected as Leader of Orkney Islands Council and would observe the meeting.

MINUTES

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| Minute of Meeting of 16 January 2024 | 1 | The Minute of the Meeting of 16 January 2024 was approved. |
| Declaration of Interest | 2 | There were no declarations of interest. |
| Islands Growth Deal: 2024/25 Joint Budget | 3 | <p>Ms Anne Murray, Islands Deal Programme Director submitted a Report which sought approval of the Islands Growth Deal Programme Management Office budget for 2024/25.</p> <p>The Report detailed that the proposals for 24/25 reflect increased staff costs in line with the pay award, and an increased allocation towards internal audit costs as programme activity increases. There is also an allocation towards an additional finance support role to reflect increase in claims activity over the course of the year (potentially through a Modern Apprenticeship). To balance this, the allocation to external consultants has been reduced.</p> <p>The Report noted that 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.</p> <p>It was agreed to approve the Islands Growth Deal Programme Management Office budget for 24/25.</p> |

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.

Full Business Case Status 4*

Ms Anne Murray, Islands Deal Programme Director delivered a presentation which provided a summary overview of the Full Business Case Status for all projects within the Islands Growth Deal.

Following consideration of the presentation, it was noted that there is no scope for additional funding through the Islands Growth Deal, but both the Scottish Government and UK Government are open to greater flexibilities in relation to how the programme is delivered.

It was agreed to note the update.

Project Deliverability

5*

With reference to item 8 of the Minute of the Meeting of 12 October 2023, Ms Anne Murray, Islands Deal Programme Director submitted a Report which sought approval of the recommendations arising from a review of project deliverability across the Islands Growth Deal. 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. During the first delivery year of the Islands Deal, these challenges have affected the rate of progress within some of the agreed projects and programmes.

The Report further noted that in dialogue with Scottish and UK Government, it was agreed by the Islands Deal Joint Committee and Programme Board that it would be beneficial for a review to be carried out across the Islands Deal project portfolio. Projects have been assessed against an agreed framework for assessing deliverability. Island councils, and Project Leads where appropriate, have input into the assessment and associated recommendations arising from this. It had been agreed that any changes arising from this exercise would be agreed by each Council's representative on the Islands Deal Programme Board, in consultation with its representatives on the Joint Committee.

Ms Murray noted that the Recommendations for Change were included at Appendix 1 to the Report. The recommendations arising from the review process are largely technical adjustments to maximise deliverability within the available budgetary resources and related constraints. The review and change process has not sought to make any alterations to the strategic direction, the strategic themes or the key outputs being sought from the Islands Deal. It was noted that a review of project deliverability will be held on an annual basis.

In discussion, it was recognised that there is a need to consider how members of the public are informed and engaged with in relation to progress and key decisions within the Islands Growth Deal. It was noted that there is a need to consider how confidential information is treated and discussed, with a recognition that some discussions/information was of a commercial sensitivity and exempt from publication, but that this should be reviewed on a regular basis.

It was noted that Orkney Islands Council were exploring community engagement opportunities in relation to the Islands Growth Deal, and that there is a need to ensure a consistent approach to this is carried out across each island area.

It was agreed:

(1) to approve the recommendations for change within the Islands Deal; and

- (2) that Ms Anne Murray, Islands Deal Programme Director would meet with representatives from the Legal and Governance Group to explore how information in relation to the Islands Growth Deal is shared with the wider public.**

Financial Plan and
Bi-Annual Financial
Forecast 6*

With reference to item 5 of the Minute of the Meeting of 30 August 2023, Ms Anne Murray, Islands Deal Programme Director submitted a Report which detailed the financial forecast claim total for 2023/24 and sought approval of the February 2024 bi-annual financial forecast for the Islands Growth Deal.

The Report noted that the Scottish Government requires submission of a bi-annual financial forecast for the Islands Deal on 28 February and 31 August of each year. The February bi-annual forecast informs negotiation on the annual Grant Offer Letter (GOL) for the coming financial year. The monthly financial forecast for the Islands Deal was submitted to the Scottish Government and was summarised at Appendix 1 of the Report.

The Report detailed a level of underspend in drawn down funding for 2023/24, and that in determining the figures to be proposed to Scottish Government for next year's GOL, efforts have been made across the Programme to interrogate the figures being provided by Project Leads to avoid the same level of underspend occurring in 24/25.

It was agreed:

- (1) to approve the 24/25 bi-annual financial forecast at Appendix 2; and**
- (2) that any further amendments to the Bi-Annual Forecast following feedback from Scottish Government, be agreed by each Council's representative on the Islands Deal Finance Officers Group.**

The Islands Growth Deal Joint Committee will next meet on Friday, 12 April 2024 at 9.00am. The Meeting will be held through Microsoft Teams.