

ISLANDS GROWTH DEAL JOINT COMMITTEE

Minute of Meeting held through
Microsoft Teams, Council Offices,
Stornoway on Friday, 12 April 2024
at 9.00am.

PRESENT
Mr Paul Steele, Comhairle nan Eilean Siar (Chair)
Ms Heather Woodbridge, Orkney Islands Council
Mr David Dawson, Orkney Islands Council
Mr Dennis Leask, Shetland Islands Council
Mr Donald Crichton, Comhairle nan Eilean Siar
Ms Emma Macdonald, Shetland Islands Council

OFFICERS IN ATTENDANCE
Ms Anne Murray, Islands Deal Programme Director
Mr Calum Iain MacIver, Comhairle nan Eilean Siar
Ms Elaine Mackenzie, Comhairle nan Eilean Siar
Mr Gareth Waterson, Orkney Islands Council
Mr Gavin Mitchell, Orkney Islands Council
Ms Kirsty Laing, Comhairle nan Eilean Siar
Mr Neil Grant, Shetland Islands Council
Mr Oliver Reid, Orkney Islands Council
Mr Robert Sinclair, Shetland Islands Council

Welcomed and
Apologies

The Chair welcomed attendees to the meeting and noted that, as per the Constitution, the role of Chair and Vice-Chair rotates annually among the Constituent Authorities on an equitable basis from the first meeting of the Joint Committee after 1st April in each year, and that the Comhairle would now be responsible for Chairing the Joint Committee until 31 March 2024.

MINUTES

Minute of Meeting
of 28 February
2024

1 The Minute of the Meeting of 28 February 2024 was approved.

Declaration
of
Interest

2 There were no declarations of interest.

Full Business Case -
Outer Hebrides
Food and Drink
Programme

3 Mr Calum Iain MacIver, Comhairle nan Eilean Siar and Ms Anne Murray, Islands Growth Deal Programme Director submitted a Joint Report which sought approval of the Full Business Case (FBC) for the Outer Hebrides Food and Drink Programme, and approval of £174k Islands Deal funding towards the Acarsaid Harbour and Vatersay gear storage capital projects within the programme. The Report noted that The Outer Hebrides Food and Drink Programme will invest in infrastructure across the Outer Hebrides to support the development of the food and drink-related primary production industries. £1.5m of Islands Deal funding has been allocated to the Food and Drink Programme, all of which is from Scottish Government.

The Report noted that the investment objectives of the project were to:

1. Create a significant network of Local Food Hubs across the Outer Hebrides.
2. Facilitate the re-development and upgrade of pier-heads and harbours across the Outer Hebrides.

3. Support the expansion of value-added food processing in the Outer Hebrides, including R&D and innovation activity.
4. Create opportunities to support business creation and growth and increasing the resilience of the Outer Hebrides economy.
5. Generate a range of new employment opportunities.

Mr MacIver noted that the Report sought approval for investment of £150k towards the Acarsaid Harbour Redevelopment, Isle of Eriskay - the investment will provide for pier strengthening and remedial works to the main support piles, struts and decking timbers – and investment of £24k for the creation of a gear storage facility at Vatersay Pier, Isle of Vatersay - a designated gear storage area will allow fishers to store gear year-round, and contribute to improved landings, storage and transportation of catch. The total funding being sought for approval at this stage is £174k. It was noted that both investments are comparatively low value and low risk but will make an important contribution to flexibility and sustainability of the fishing industry in some of the Outer Hebrides' most peripheral communities.

The Chair noted that there had been positive local media coverage in relation to the announcement of funding through the Islands Growth Deal to award a contract to develop a harbour facility in Eriskay, as part of the Outer Hebrides Food and Drink programme.

It was agreed to:

- (1) approve the Outer Hebrides Food and Drink Programme Full Business Case at Appendix 1;**
- (2) note that at this point approval is sought in relation to £174k of the £1.5m funding for Outer Hebrides Food and Drink and that this relates to funding required to progress the Acarsaid Harbour redevelopment; and a gear storage area at Vatersay; and**
- (3) note that future approval will be sought in relation to the capital funding for the other components of the Programme at an appropriate point in time.**

Scottish Affairs 4
Committee -
Inquiry into City
Region Growth
Deals

Ms Anne Murray, Islands Deal Programme Director submitted a Report which sought approval of a joint response to a Scottish Affairs Committee inquiry into City Region and Growth Deals. The Report noted that the UK Government's Scottish Affairs Committee have launched an inquiry to scrutinise the progress and operation of City Region and Growth deals, following up on the Committee's previous work on this in 2021.

The Report noted that it has been agreed by the Islands Deal Programme Board that the three island councils should look to submit a joint response to the inquiry. A draft response was appended to the Report, with a recognition that this would require further consideration and input from the Joint Committee and Programme Board.

Ms Emma Macdonald, Shetland Islands Council noted that representatives from the Scottish Affairs Committee had visited Shetland as part of the Inquiry. The visit had been announced at short notice, and was for a brief period only, but had provided an opportunity to deliver a series of presentations and arrange some site visits in relation to Islands Growth Deal Programmes.

In discussion, it was recognised that the response to the Inquiry presented an opportunity to request greater flexibility in relation to the delivery and financing of Islands Growth Deal Programmes.

It was agreed:

(1) to note the draft response at Appendix 1 and provide any further feedback regarding the set of questions; and

(2) that the final version be approved by the Programme Board in advance of submission deadline of 21 April 2024.

Islands Growth 5
Deal: Annual
Report 2023/24

Ms Anne Murray, Islands Deal Programme Director submitted a Report which sought approval of the 2023/24 Annual Report for the Islands Growth Deal. The Report noted that there is a requirement to produce an Annual Performance Report based on the previous year's activity across the Islands Growth Deal. The Annual Report forms the basis for an Annual Conversation with Scottish and UK Government to formally review progress in implementing the Deal. The Annual Conversation allows both Governments to engage with the Deal at a senior officer level to celebrate success and discuss progress. The Islands Deal Annual Conversation is scheduled to take place in Edinburgh on 25 April and will be attended by the Chief Executives of each of the three partner Councils.

It was agreed to approve the Islands Deal Annual Report for 2023/24.

It was agreed that the public, including the press, be excluded from the Meeting during consideration of item 6 and 7 on grounds of that 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, and any terms proposed or to be proposed by or to partners in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.

Knab 6
Redevelopment
Project

Mr Neil Grant and Mr Robert Sinclair, Shetland Islands Council delivered a presentation in relation to the Knab Redevelopment Project. The project is the largest within the Islands Growth Deal and will see the redevelopment of the Anderson High School and Halls of Residence in Lerwick. The project will: contribute to affordable local housing; create a vibrant community; help address the cost of living, in particular fuel poverty; compliment and support connectivity with the existing town centre; reduce the need for cars by encouraging walking and cycling; and incorporate infrastructure for electric vehicles. The project will require up to £9.6m in funding from the Growth Deal, with the total project anticipated to cost £71m across a ten-year lifespan for development. The Full Business Case for the overall programme will be submitted to the Joint Committee and Project Boards by Summer 2024.

It was agreed to note the update.

Quarterly 7
Performance
Report

Ms Anne Murray, Islands Deal Programme Director submitted a Report which sought approval of the January-March 23/24 Quarterly Claim and Progress Report for the Islands Deal. The Report noted that the 23/24 Grant Offer Letter for Islands Deal funding was received by Comhairle nan Eilean Siar on 12 June 2023. This enabled Grant Offer Letters to be issued to those projects ready to claim funding at the end of the first quarter (Islands Centre for Net Zero and Outer Hebrides Campus).

Ms Murray delivered a presentation in relation to the Quarterly Claim and Progress Report which detailed claims forecasts and status, including risks of each project within the Deal. It was noted that claims forecasts were being reviewed and reprofiled in recognition of the level of the underspend, with some projects ramping up spend across 2024/25. There are no emerging/ significant material changes in terms of the risk register.

It was agreed to note the Report.

Date of Next
Meeting

The Islands Growth Deal Joint Committee will next meet on Wednesday, 29 May 2024 at 4.00pm. The meeting will be held through Microsoft Teams.