

ISLANDS GROWTH DEAL JOINT COMMITTEE

Minute of Meeting held through
Microsoft Teams on Thursday, 28 August
2024 at 4.00pm.

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

OFFICERS IN ATTENDANCE
Ms Anne Murray, Islands Deal Programme Director
Ms Elaine Mackenzie, Comhairle nan Eilean Siar
Mr Erik Knight, Orkney Islands Council
Ms Inga Burton, Orkney Islands Council
Ms Louise Shearer, Shetland Islands Council
Mr Jan Riise, Shetland Islands Council
Mr Neil Grant, Shetland Islands Council
Mr Oliver Reid, Orkney Islands Council
Mr Sweyn Johnson, Orkney Islands Council

MINUTES

Minute of Meeting of 8 August 2024 1 Ms Anne Murray, Islands Deal Programme Director provided an update on the status of the Full Business Case submissions as considered at the meeting of 8 August 2024.

- Creed Hydrogen Skills and Innovation Centre – Full Business Case has been approved.
- Shell-volution – at final read through stage with Scottish Government. No issues anticipated and Full Business Case anticipated to be approved w/c 2 September.
- TalEntEd Islands – some anticipated issues noted. Additional feedback received. Discussions ongoing with Programme Board.
- Creative Islands Wellbeing - some anticipated issues noted. Additional feedback received. Discussions ongoing with Programme Board.

The Minute of the Meeting of 8 August 2024 was **approved**.

Declaration of Interest of 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 of 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.

Bi-Annual Financial Forecast 3* With reference to item 6 of the minute of the meeting of 28 February 2024, Ms Anne Murray, Islands Deal Programme Director, submitted a report which sought approval of the August 2024 bi-annual financial forecast for the Islands Growth Deal. The Report noted that The Scottish Government require submission of a bi-annual financial forecast for the Islands Deal on 28 February and 31 August of each year. This is required to include forecast claims and spend against each project for the remainder of the term of the Deal. It was noted that there had been some variation in relation to the forecast spend for the Knab Redevelopment project in this financial year that had come through after the report being issued.

Discussion was held in relation to potential consequences of any areas of slippage and/or underspend, particularly in recognition of the pressures facing local and national finances. It was noted that the Scottish Government and the UK Government had committed to £100m investment for the Islands Growth Deal, but there is a need to ensure progress across projects and timelines. It was further recognised that there is scope for project change within the programme if any projects are unable to progress within agreed timescales. It was noted that formal notices had been issued to some projects to collate a better understanding of challenges and potential impacts on delivery.

It was agreed:

- (1) to approve the August 2024 bi-annual financial forecast (subject to the reissuing of a revised Appendix 2 with revisions to the Knab Redevelopment forecast figures, as detailed in Appendix 1);**
- (2) that any further amendments to the August 2024 bi-annual financial forecast following feedback from Scottish Government be agreed by the Islands Deal Finance Officers Group; and**
- (3) that Ms Anne Murray, Islands Deal Programme Director would write to all project leads on behalf of the Joint Committee, noting the need for progress in line with agreed timescales and to note the risks posed to projects and the wider Islands Deal where there are significant challenges/ delays – the letter would be used to identify any known areas of slippage/ potential slippage or areas within projects that could be brought forward from Project Leads.**

Programme Change 4*
Proposals

Ms Anne Murray, Islands Deal Programme Director, submitted a report which sought approval of proposals for taking forward programme change within the Islands Growth Deal. The Report noted that a range of work was undertaken in 2023/34 across the Islands Deal Programme regarding project deliverability in what has been an increasingly challenging financial context. An assessment framework was put in place to allow an objective perspective to be taken on where risks were arising, and change might be necessary to ensure an impactful programme could still be achieved. Some initial, low level, change requests have been progressed, with a recognition that any significant change will require Ministerial Approval.

The Report further noted that both the Scottish and UK Government had expressed a preference for one substantial change request by the end of 2024, and that the view of the Programme Board is that this timescale is not achievable given current unknowns and dependencies. This has been accepted by the Scottish and UK Government. A proposal for taking forward Islands Growth Deal programme change was appended to the Report.

It was agreed to approve the proposals for taking forward Islands Growth Deal programme change as outlined at Appendix 1 to the Report.

The Islands Growth Deal Joint Committee will next meet on Thursday, 10 October 2024 at 4.00pm.