

ISLANDS GROWTH DEAL JOINT COMMITTEE

Minute of Meeting held through Microsoft Teams on Wednesday, 21 May 2025 at 9.00am.

PRESENT	Ms Emma Macdonald, Shetland Islands Council (Chair) Mr Paul Steele, Comhairle nan Eilean Siar Mr Kristopher Leask, Orkney Islands Council Mr Dennis Leask, Shetland Islands Council
APOLOGIES	Mr Donald Crichton, Comhairle nan Eilean Siar Ms Heather Woodbridge, Orkney Islands Council
OFFICERS IN ATTENDANCE	Ms Kathlene Morrison, Islands Deal Programme Director Ms Anne Murray, Comhairle nan Eilean Siar Ms Charlene Macmillan, Comhairle nan Eilean Siar Ms Elaine Mackenzie, Comhairle nan Eilean Siar Ms Kirsty Laing, Comhairle nan Eilean Siar Mr Gareth Waterson, Orkney Islands Council Mr Sewyn Johnston, Orkney islands Council Mr Jan Riise, Shetland Islands Council Ms Louise Shearer, Shetland Islands Council Mr Neil Grant, Shetland Islands Council Mr Derek Mackay, Comhairle nan Eilean Siar

Welcome and Introductions The Chair welcomed attendees to the meeting.

MINUTE

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| Minute of Meeting of 14 April 2025 | 1. | The Minute of the Meeting of 14 April 2025 was approved . |
| Declaration of Interest | 2. | There were no declarations of interest. |
| Islands Growth Deal - Annual Performance Report | 3. | With reference to item 5 of the Minute of the Meeting of 12 April 2025, the Islands Deal Programme Director submitted the draft 2024/25 Annual Report for the Islands Growth Deal for review and comment. The Report detailed Islands Growth Deal activity in the period April 2024 – 2025, including key achievements in relation to: £22.6m of funding that was approved for investment by the Joint Committee up to March 2025, equating to 22.6% of the value of the Deal; £14.4m of Government investment was released in the second year of the Growth Deal five new Full Business Cases endorsed and moved into delivery. |

It was agreed:

- (1) to note the Report: and**
- (2) the Report would be circulated to Elected Members by each partner Council.**

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| Programme Reset | 4. | Ms Kathlene Morrison submitted a Report detailing a proposed Programme Reset for the Islands Growth Deal. The Report detailed the considerable change in the economic and operating environment since the components of the Islands Growth Deal were originally constructed in 2019/2020. |
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Projects have been experiencing significant cost escalation, increased match funding dependency and diminishing sources of public sector match funding, all leading to slippage and increased delivery risks. Consequently, a range of work was undertaken across the Islands Deal Programme evaluating project deliverability. An assessment framework was developed to allow an objective perspective to be gained on where risks were arising, and where change might be necessary to ensure an impactful programme could still be achieved.

Following the review, and after the 2024 Islands Growth Deal Annual Conversation with the UK and Scottish Government, the Islands Deal Joint Committee and Programme Board agreed to submit a 'Programme Reset' to Government Ministers. This was due to the volume of changes being proposed to ensure the Islands Deal maintains its viability and impact, whilst also ensuring the principle of an equal split of funding across the three island Councils is retained.

It was agreed to approve the Islands Growth Deal Programme Reset.

Annual
Conversation

5. Ms Kathlene Morrison provided an update on the annual conversation with the Scottish and UK Governments which would take place on 29 May in Edinburgh, and the three island Chief Executives along with the Programme Director will be in attendance. The current agenda closely mirrors last year's discussion and includes reviewing the 24/25 financial year, any factors which impacted upon the delivery of the Islands Growth Deal and consideration of progress in the current financial year.

It was noted during discussion that some publicity from project partners did not include reference to the Growth Deal.

It was agreed:

- (1) to note the update: and**
- (2) that the Programme Manager would remind partners that publicity in relation to Growth Deal projects should be co-ordinated through the Programme Management Office to ensure there is reference to the Islands Growth Deal.**