

AYRSHIRE ECONOMIC JOINT COMMITTEE

MINUTES OF SPECIAL MEETING HELD ON THURSDAY 8 SEPTEMBER 2022 AT 0908 HRS IN THE SIR ALEXANDER FLEMING ROOM, EAST AYRSHIRE COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK/MS TEAMS

PRESENT: Councillors Barry Douglas, Clare Maitland and Douglas Reid, all East Ayrshire Council; Councillors Marie Burns and Anthony Gurney, North Ayrshire Council; Councillors Martin Dowey, Peter Henderson and Bob Pollock, South Ayrshire Council; Simon Foster, Director of Engineering, Spirit Aerosystems; Derek McCrindle, Scottish Enterprise; Angela Cox, Ayrshire College and Paul Zealey, Skills Development Scotland.

ATTENDING: Eddie Fraser, Chief Executive; Katie Kelly, Depute Chief Executive; Joe McLaughlan, Chief Financial Auditor and Head of Finance and ICT; David McDowall, Head of Economic Growth all East Ayrshire Council; Craig Hatton, Chief Executive; Russell McCutcheon, Executive Director - Place; Karen Yeomans, Director - Growth and Investment; and Emma McMullen, Senior Manager, Economic Development all North Ayrshire Council; Eileen Howat, Chief Executive; Louise Reid, Assistant Director – Place; and Theo Leijser, Service Lead - Economy and Regeneration, all South Ayrshire Council; Anne-Marie Steele, Compliance and Performance Officer, Ayrshire Growth Deal; Alastair Dobson, Taste of Arran; and Lynn Young and Sheryl Wilcox, Democratic Services Officers, East Ayrshire Council.

APOLOGIES: Councillor Maureen McKay, East Ayrshire Council; Alison Craig, Strategic Growth Deal Manager; and Graham Saunders, Programme Manager, both Ayrshire Growth Deal; Donald Gillies, Director - Place; Caitriona McAuley, Head of Service - Economic Development; and Jane Martin, Scottish Enterprise.

CHAIR: Councillor Douglas Reid.

APPOINTMENT OF CHAIR

1. Noted that under the Terms of Reference for the Ayrshire Economic Joint Committee, the Chair of the Joint Committee is due, from September 2022, to rotate to East Ayrshire Council for the period up until September 2023.

Agreed to appoint Councillor Douglas Reid as Chair.

RATIFICATION OF APPOINTMENT OF CHAIR OF AYRSHIRE ECONOMIC PARTNERSHIP BOARD

2. Agreed the appointment of Councillor Douglas Reid as Chair of the Ayrshire Economic Partnership Board.

MINUTES OF PREVIOUS MEETINGS

3. The Minutes of meeting of 20 June 2022 and special meeting of 30 June 2022 were submitted and approved as correct records.

DIGITAL PROCESSING MANUFACTURING CENTRE, PHASE 1 - FULL BUSINESS CASE

4. There was submitted a report (copy enclosed) by the Director, Growth and Investment, North Ayrshire Council which sought approval of the Full Business Case (FBC) for

Phase 1 of the Ayrshire Growth Deal, Digital Processing Manufacturing Centre (DPMC) project at i3 Enterprise Area in Irvine.

The Director - Growth and Investment advised that approval was only sought at this stage for Phase 1 of the project, which was a pilot and would use £1m of the £6m allocated from the AGD to the DPMC project. This would also be supported by a grant of £515,100 from Scottish Enterprise and additional contributions of £48,300 each from project partners North Ayrshire Council, University of Strathclyde and Centre for Process Innovation (CPI). The Full Business Case would be subject to further addendums as Phase 1 progressed and would be followed by a Full Business Case for Phase 2.

It was agreed:

- (i) to note the report and the FBC for DPMC Phase 1 at Appendix 1 to the report;
- (ii) to note that the UK Government had approved the Outline Business Case;
- (iii) to note that the UK Government had endorsed the Full Business Case for DPMC Phase 1; and
- (iv) to approve the FBC and implementation of its activities.

AYRSHIRE GROWTH DEAL - DIGITAL PROJECTS UPDATE

5. There as submitted a report (circulated) by the Project Lead - Space and Digital Ayrshire Growth Deal on progress of the Ayrshire Growth Deal Fibre Optic Subsea Cable Project as at 8 September 2022.

It was agreed:

- (i) to note the updates provided in the report; and
- (ii) to note the anticipated next steps.

UK GOVERNMENT - SHARED PROSPERITY FUND INVESTMENT

6. There as submitted a report (circulated) by the Head of Economic Growth, East Ayrshire Council which advised members of the submission of Investment Plans by the three Ayrshire Councils in respect of the UK Government's Shared Prosperity Fund (SPF). The respective Investment Plans identified a number of important proposals which would be taken forward (subject to funding being secured) across Ayrshire in support of strategic objectives.

It was agreed:

- (i) to note and endorse the submission of SPF Investment Plans by East, North and South Ayrshire Councils;
- (ii) to note that all three Investment Plans articulated a common need to protect established projects that were currently funded via European Structural Funds and which ensured a smooth transition to the new arrangements;
- (iii) to note that the Investment Plans were designed to reflect a regional consistency in approach, and that this would be further embedded with the forthcoming launch of the Regional Economic Strategy;
- (iv) to note that a progress report would be submitted to the Joint Committee to illustrate progress of the 2022/23 programme of investment; and
- (v) otherwise, to note the contents of the report.

DATE OF NEXT MEETING

7. It was agreed that the next meeting would take place on 26 September 2022 at 1400hrs in the Council Chambers, Council Headquarters, London Road, Kilmarnock and by MS Teams.

EXCLUSION OF PRESS AND PUBLIC

8. It was resolved "That under Section 50A(4) of the Local Government (Scotland) Act 1973, as amended, the Press and public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 9 of Schedule 7A of the Act".

AYRSHIRE GROWTH DEAL - PRESTWICK COMMERCIAL BUILD FULL BUSINESS CASE

9. There was submitted a report dated 1 September 2022 (circulated) by Director - Place, South Ayrshire Council for members to consider and approve the Full Business Case (FBC) of the Prestwick Commercial Build Project, which was part of the Ayrshire Growth Deal (AGD).

It was agreed:

- (i) to note the decision of the Committee on 30 June 2022 to include the inward investment opportunity referred to as Opportunity A in the commercial build project and to secure Scottish Enterprise as our delivery partner for this opportunity, had been implemented;
- (ii) to approve the Full Business Case (FBC) of the Prestwick Commercial Build Project;
- (iii) to approve the financial reinvestment model, financial profile and build plans detailed in the FBC; and
- (iv) to note the additional borrowing of £55.174m required by South Ayrshire Council as detailed in Section 6 of the report, subject to the conclusion of the Grant Funding Agreement in terms acceptable to the Director of Place and the satisfaction of the conditions set out in paragraph 5.1 of the report.

The meeting terminated at 0932 hrs.