



**BOARD MEETING**  
**COINNEAMH BÙIRD**

**MINUTE OF THE HIE BOARD MEETING HELD ON TUESDAY 26 APRIL 2022, STARTING AT 0930  
IN AN LÒCHRAN, INVERNESS CAMPUS, AND BY TELECONFERENCE**

**PRESENT (AN LÒCHRAN):** Alistair Dodds (*Chair*)  
Stuart Black (*Chief Executive*)  
Amanda Bryan  
Freda Newton

**PRESENT (ONLINE):** Angus Campbell  
Paddy Crerar  
Donald MacRae  
Belinda Oldfield  
Calum Ross

**IN ATTENDANCE (AN LÒCHRAN):**

Carroll Buxton	Deputy Chief Executive
Douglas Cowan	Director of Communities and Place
Sandra Dunbar	Director of Business Improvement and Internal Audit
Martin Johnson	Director of Strategy and Regional Economy
Nick Kenton	Director of Finance and Corporate Services
Karen Moncrieff	Director of Human Resources
David Oxley	Director of Strategic Projects
Chris Roberts	Head of Communications
Graeme Adair	Construction Frameworks Manager, item 3.2
David Howie	Head of Strategic Projects, item 4.3

**IN ATTENDANCE (ONLINE):**

Andrew Carton	Team Leader (HIE), Enterprise Sponsorship, Scottish Government
Andrew Jenkins	Head of Financial Services, item 2.2
Emma Stevenson	Financial Systems Accountant, item 2.2
Lorna Gregson-MacLeod	Head of Planning and Partnerships, item 2.3
Andy Sarjeant	Head of Corporate Data and Analytics, item 2.3
James Gibbs	Area Manager, Inner Moray Firth, item 3.1
Elaine Jamieson	Head of Blue Economy and Food and Drink, item 3.1
Claire Munro	Senior Project Manager, Enterprise Support, item 3.1
Elaine Hanton	Interim Project Lead, Cairngorm, item 3.3
James Palmer	Project Manager, Construction, item 3.3
Dave Macleod	Head of Property and Infrastructure, item 3.3
Mairi Buchanan	Senior Development Manager, Innse Gall, item 4.1
David Taylor	Senior Development Manager, Energy Strategy, item 4.2

<b>1</b> <b>STANDING ITEMS</b> <b>CUSPAIREAN COTHROMACH</b>
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### **1.1 Welcome and apologies**

The Chair welcomed everyone to the meeting. Apologies were noted from Rachel Hunter, Director of Service Delivery.

### **1.2 Declarations of interest**

Nick Kenton and David Oxley each noted an interest as HIE-appointed directors of Wave Energy Scotland.

Belinda Oldfield noted a related party interest in connection with Cairngorm and would leave the meeting when item 3.3 was discussed.

Amanda Bryan reported that she had received a full version of the Board minute of 1 March 2022, despite declaring an interest in one of the agenda items, Stornoway Port Authority. Distribution of this minute should have been restricted and the error was noted.

### **1.3 Draft minute of Board meeting held on 1 March 2022**

One correction was noted to the minute, and one amendment. Amanda Bryan had left the meeting at lunchtime, but this had not been recorded. Paddy Crerar suggested that the minute should provide a fuller account of the Board's discussion with the Minister for Business, Trade, Tourism and Enterprise, and it was agreed that this would be done. The draft minute will be presented again at the next Board meeting, on 28 June.

### **1.4 Matters arising from the minutes and action grid**

*[Paragraph removed in the interests of the effective conduct of public affairs].*

It was noted that the *GreenOffshore Tech* report had been circulated to Board members, as requested.

The Chair highlighted a suggestion from the Board that HIE should explore the possibility of land in its ownership being rezoned from business use to housing. The Chief Executive agreed that this would be pursued.

The Director of Communities and Place updated the Board on the *Greening Community Assets* fund. A total of 54 projects had been approved, supported by HIE funding of £634,000.

All other matters arising would be covered elsewhere on the agenda.

### **1.5 Chair and Chief Executive update – April 2022**

The Chief Executive introduced short verbal updates on matters that would be of interest to the Board, but were not included as dedicated items on the Board agenda.

The Director of Business Improvement and Internal Audit informed the Board that the Court of Session had declined a request for judicial review of certain funding decisions made by HIE, and the normal period for the petitioner to appeal had expired. HIE and others continued to face criticism on social

media from the same individual. However, contrary to what had been posted, HIE had not been contacted by police in relation to this matter.

*[Paragraph removed in the interests of the effective conduct of public affairs].*

The Chief Executive reported that HIE's *graduate support programme* was performing well, with 69 graduates currently in employment. HIE itself was planning to employ five or six recent graduates as well as four modern apprentices. The *Young Company Capital Investment programme* for companies under 5 years old was also producing encouraging results and was likely to become a mainstream HIE service.

The Director of Strategic Projects confirmed that administrators of CS Wind UK Ltd were due to auction assets formerly owned by the company at Machrihanish by auction on 10 May. HIE would be able to regain control of the site following the sale of assets, and was making arrangements to begin marketing the location to attract new investment and generate employment in Kintyre.

The Director of Human Resources updated the Board on discussions with the Scottish Government on HIE's pay award. A multi-year approach was currently preferred and a business case was being prepared, including opportunities for young people.

Dialogue was continuing with the Scottish Government over HIE's budget for the next three financial years, the Director of Finance and Corporate Services reported. The main area of focus was on revenue. The Chair stated that it would be a concern if HIE's budget were to be reduced, and that continued investment in the economy was essential to achieve the goals set out in the National Strategy for Economic Transformation (NSET), including reducing poverty. The Enterprise Sponsorship Team Leader noted the Board's concerns and undertook to convey them to government colleagues. It was noted that the outcome of the current spending review was expected no earlier than autumn and the Chair emphasised the need for HIE staff to keep the Board informed of developments.

The Chief Executive confirmed that HIE had been invited to contribute to various NSET working groups that were now under way, as discussed at the last Board meeting with the Minister for Business, Trade, Tourism and Enterprise. The Director of Strategy and Regional Economy added that HIE's own three/five-year strategy and annual operating plan were being developed in parallel with the agency's input to NSET delivery planning, and the Board would be invited to a further strategy workshop session in May.

The Chair emphasised the need for HIE staff to be involved in NSET to ensure the needs and opportunities of the Highlands and Islands were conveyed to government and reflected in actions and outcomes. It was felt that, initially, the region had not been well represented in the recently-published *National Planning Framework 4*, and the Board did not want this experience to be repeated.

Stornoway Port Authority had announced that work on its £49m deep water terminal was due to begin on 1 May. HIE was continuing to work well with the port authority, including its role in ScotWind, and with Hebrides Tourism, to help local businesses prepare for large numbers of cruise passengers arriving on Lewis in future.

*[Paragraph removed due to commercial sensitivity].*

The Chair noted that the Cabinet Secretary for Finance and the Economy was out of the country and had been unable to attend today's Board meeting as planned. HIE had extended an invitation to the June meeting.

The Chair and Chief Executive had held a positive briefing meeting with Highlands and Islands MPs/MSPs, although turnout had been low.

Quarterly meetings of the Cairngorm Advisory Group continued to be valuable. The Chair requested that a meeting of the Cairngorm Sub-Group of the Board be set up in the coming weeks.

The Chair had attended the Offshore Wind conference in Glasgow, where Highlands and Islands ports had been well represented. Green freeports were among the topics discussed.

Potential areas for joint working had been discussed at a dinner event with Crown Estate Scotland.

Interviews for new Board members had taken place the previous week and recommendations were being put to the Cabinet Secretary.

An online Board engagement call with stakeholders in Lochaber, Skye and Wester Ross would take place tomorrow (27 April), with Donald MacRae and Freda Newton participating alongside the Chair and Chief Executive.

It was noted that the next meeting of the Board would take place in Moray on 28 June and all members were encouraged to attend in person. The two-day programme would include engagement activities, such as a business breakfast and visits to local business and community clients.

## **2 RESOURCES AND GOVERNANCE** **GOIREASAN IS RIAGHLACHAS**

### **2.1 Financial statement**

The Director of Finance and Corporate Services presented a report summarising the draft outturn for the year to 31 March 2022, subject to final adjustments and audit by Audit Scotland. This showed a draft capital underspend of £1.39m for 2021/22; an underspend of £0.7m in financial transactions, and an authorised revenue overspend of £1.5m. Overall, this was considered a satisfactory outcome in a highly challenging year.

Specific underspends were highlighted in relation to Cairngorm (£560k) and Wave Energy Scotland (£250k). In both cases, HIE was in discussion with the Scottish Government and seeking restoration of this funding to be used in the present financial year.

The Board welcomed the report and expressed their thanks to the Director, HIE's Finance team and the Leadership Team for delivering such a positive outturn in a highly challenging year. It was noted that HIE's 'business as usual' investment had slowed as an emphasis was placed on addressing the impacts of the Covid-19 pandemic, but the rationale of prioritising to meet urgent needs was understood and supported.

*[Sentence removed due to commercial sensitivity].* It was also acknowledged that more time would be needed to reach agreement with HMRC over some historic HIE VAT payments, although it was hoped this matter could be settled before the annual accounts for 2021/22 are finalised.

The Chair asked whether the need for HIE staff to work from home during the pandemic had affected customer relations. The Chief Executive confirmed that visiting clients was an important aspect of business as usual, and was pleased to note that a new hybrid model combining office and home working was being embraced by HIE staff.

The Chair also expressed the Board's thanks to the Scottish Government for the significant amount of extra funding that had been invested in the region during the year, in addition to HIE's initial budget allocation.

## **2.2 2021/22 write-offs**

*Andrew Jenkins and Emma Stevenson joined the meeting.*

The Finance team presented details of two outstanding debts over £250k for 2021/22 for which no further recovery was possible. HIE's Leadership Team had considered these cases on Monday 7 March 2022 and concluded that the debts, totalling £1,348,774, should formally be written off. Details had also been presented to the Risk and Assurance Committee for review on 15 March 2022.

The Board, in agreeing the write-offs, stressed the importance of ensuring that lessons were learned from write-offs and that processes to monitor debt and secure payment, where possible, were robust. The Chief Executive assured members that appropriate actions had been implemented following the recent cases, including improvements to internal communications between HIE teams and a stronger process to review debts and report regularly to the Chief Executive.

*Andrew Jenkins and Emma Stevenson left the meeting.*

## **2.3 Performance update**

*Lorna Gregson-MacLeod joined the meeting.*

The Director of Strategy and Regional Economy provided an interim report on progress against targets for financial year 2021/22, prior to finalisation of data for the end-year review and annual accounts.

Excellent out-turns had been achieved in relation to increase in business turnover, increase in international sales and increase in turnover in the social economy. In round numbers, HIE's activities had supported just over 1,274 jobs across the region (1,125 created and 149 retained), 122 of which were in fragile areas (116 created and 6 retained). Eleven out of 12 primary output measures had been achieved or exceeded. The out-turn for the average wage of jobs supported was slightly below target at £25,487 (target £26k).

HIE had invested £44.1m in 1,012 projects for 717 clients. This compared with 420 projects and 270 clients the previous year and it was noted that more than 500 third-party projects that had been supported in 2021/22 were Covid-related. Post-pandemic, there would be more focus on higher wage jobs, and consideration would be given to introducing a green jobs target. New system capability, including the development of dashboards, was expected to enhance reporting in the coming year.

*Andy Sarjeant joined the meeting.*

The Head of Corporate Data and Analytics demonstrated new dashboard reporting which was being introduced to improve corporate performance measurement and access to information across HIE. Drawing on data entered into the MyHIE customer management system, and updated daily, the dashboard reports would enable information on HIE's investments (including pipeline) and impacts to be examined through a range of views, including by local authority area, by sector, client size, value of funding support and per capita.

The Board were very impressed by the depth and quality of the data that could be accessed through the new dashboards and requested that it be used to inform regular Board updates once the system is fully functional. Key results should also be publicly reported, in the interests of transparency, with data accompanied by explanatory narrative.

Members noted that dashboard reporting would play an important role in informing strategy and spending priorities. It was agreed that HIE staff would invite the Board to submit questions to the Director of Strategy and Regional Economy in advance of a planned strategy session in late May. In response to a question, it was confirmed that the new system would enable data on actual out-turns to be gathered and compared with forecasts.

*Lorna Gregson-MacLeod and Andy Sarjeant left the meeting.*

## **2.4 Corporate risk register**

The Director of Business Improvement and Internal Audit presented the corporate risk register, noting that HIE's annual review of area office and directorate risk registers had now taken place. A new corporate risk had been introduced, relating to impacts arising from the war in Ukraine, including sanctions on Russia.

The Board noted the contents, welcoming greater clarity and commentary on tracking and trending. In discussion, it was agreed that the rising cost of living in the UK, which was expected to increase further, should be highlighted, perhaps as a new risk in its own right.

Cyber security was an area that could require its own risk register, and it was noted that a report from EY would be submitted to the Risk and Assurance Committee in June, covering systems that are used by HIE but fall outside the environment supported by the agency's shared services provider EIS.

## **2.5 Draft minute from the Risk and Assurance Committee 15 March 2022**

Donald MacRae, as Chair of the Risk and Assurance Committee, provided a verbal update on the 15 March meeting, noting that the draft minute had been delayed by staff illness. Matters that had been discussed included the annual accounts timetable and progress with strategic projects at Cairngorm and Space Hub Sutherland. The Committee also received an overview of external funding that was being distributed and invested by HIE in a range of projects and programmes across the region, and approved recommendations to optimise governance and efficiency in how such funds are administered.

The Director of Business Improvement and Internal Audit had reported on progress to resolve issues arising from audits conducted by the Audit Authority on historic HIE ERDF claims. She informed the Board that a claim relating to HIE's creative industries programme and conference was nearing resolution, although some funding remained at risk.

The Chair of HIE expressed strong disappointment that Audit Scotland would be unable to sign off HIE's annual report and accounts for the year ended 31 March 2022 until December. It had been hoped that HIE would be able to return to a pre-pandemic accounts timetable, with a view to achieving signoff by the end of August. However, despite the Chair of the Risk and Assurance Committee writing to the Auditor General, this option had been ruled out by the external auditor.

The Board confirmed their displeasure with this outcome, not least as it would mean that the Scottish Parliament's Economy and Fair Work Committee would be unable to scrutinise the agency's annual report and accounts in advance of HIE appearing before it in September.

## **2.6 HIE Board code of conduct**

The Director of Business Improvement and Internal Audit updated the Board on work to refresh the code of conduct for Board members, in line with a new model code that had been issued by the Scottish Parliament.

Although HIE was expected to adopt the model code largely unchanged, some points of interpretation required clarification with the Standards Commission. The Board also suggested that it would be helpful to add case study material. Following discussion, the Board endorsed the code in principle and agreed to delegate the task of agreeing final wording to the Board Chair, Chair of the Risk and Assurance Committee and Chief Executive.

The Chair expressed the Board's thanks to Adrian Kitson and Sandra Dunbar for their work in preparing the new code, and stressed that it was important for all Board members to take part in training to ensure full understanding and compliance.

## **3 INVESTMENT DECISIONS** **CO-DHÙNAIDHEAN AIRGEAD-TASGAIDH**

### **3.1 Northern Innovation Hub Food TechHUB and refurbishment of Fyrish House**

*James Gibbs, Elaine Jamieson and Claire Munro joined the meeting.*

The Board was asked to approve total project costs of £3,550,907, comprising HIE grant-in-aid and conduit and revenue funding from the Inverness and Highland City-Region Deal, to establish a new food and drink technology centre and refurbish HIE-owned premises at Fyrish House, Teaninich Industrial Estate, Alness. The Board was also asked to delegate authority to the HIE Leadership Team for decisions on procurement relating to the project, potential budget variances and project amendments.

The Food and Drink TechHUB will support food and drink and supply chain enterprises to innovate and develop products by providing state-of-the-art facilities and equipment, technical expertise, innovation support, networking and events. An economic impact assessment anticipated that the project would support 300 enterprises to create over 30 innovative products and processes, increase turnover by £40m and deliver more than 100 jobs. It would also address market failure and support businesses on their journey to achieve net zero CO2 emissions.

The project had been under development since 2018 and had originally been envisaged as a new build. Following re-evaluation and an options appraisal, however, it was now proposed to locate it in Fyrish House, which had been vacant for seven years. The TechHUB would be housed in one half of the building, while the remaining area would be refurbished and sub-divided for commercial let to a range of small-to-medium sized enterprises (SMEs). The project was designed to become financially sustainable, with a clear exit strategy for HIE, and the proposed funding would be released over five years. If the HIE Board approved the current recommendation, a change request would be submitted to the City-Region Deal programme management and the Scottish Government.

In discussion, Board members highlighted the challenge of sustaining revenue funding over time and it was noted that a similar business incubator project in Invergordon in the 1990s had foundered for this reason. The Board recommended that businesses using the Food TechHUB should be involved in project governance and alert to the need to attract funding on an ongoing basis.

In response to questions, HIE staff assured the Board that the project was closely aligned with STEM objectives to prepare young people for future careers.

The Chair asked about refurbishment of the non-TechHUB part of the building and it was confirmed that this would be done at a basic level, leaving scope for new tenants to customise their own areas. The Chair also stressed the importance of considering ways in which other parts of the Highlands and Islands could benefit, which he saw as an important principle of HIE support for any growth deal project.

The Board approved total project funding of £3,550,907 as requested, and agreed to delegate to the HIE Leadership Team the awarding of design team and construction contracts, following procurement, provided these costs did not exceed the agreed fitting-out budget of £1.75m.

*James Gibbs, Elaine Jamieson and Claire Munro left the meeting.*

### **3.2 Small business unit (construction) – Broadford Industrial Estate**

*Graeme Adair joined the meeting.*

The Construction Frameworks Manager presented a paper seeking approval of £3.111m top slice funding to construct a new property at Broadford Industrial Estate on Skye, providing around 400 square metres of lettable space in the form of small business units. The project was part of a strategy to create new small business units in rural areas and design costs had been approved previously. Further benefits of the Broadford project would be to open up other areas of land as development opportunities through site servicing and upgrading the estate road.

The Board welcomed the proposal, noting that the project was intended to help meet high demand for business premises in the area and its proximity to the new Broadford Hospital had the potential to attract commercial healthcare interest. In discussion, a question was raised concerning the intention to use air source heat pumps as part of the heating system. While the Board endorsed the intention to achieve a low carbon impact, it was felt that other solutions might be more appropriate and should be explored. This was agreed.

Subject to the heating system being reviewed, the Board approved top-slice funding of £3.111m as requested, with the majority of costs expected to be incurred during 2022/23 and first quarter 2023/24. Approval was also given for HIE staff to begin an open procurement to appoint a contractor and to appoint Torrance Partnership through HIE's prime contractor framework as project and cost managers. Approval to award the construction contract following procurement was delegated to HIE's Leadership Team, providing costs were within budget.

*Graeme Adair left the meeting.*

### **3.3 Cairngorm update and funicular costs**

*Belinda Oldfield left the meeting.*

*Elaine Hanton, James Palmer and Dave Macleod joined the meeting.*



HIE's Cairngorm team presented a paper seeking approval for additional budget of £6.51m to continue with the funicular strengthening works that are currently in progress. It was noted that detailed negotiations with contractors in relation to cost and programme remained ongoing and other impacts arising from factors outwith HIE's control, including cost inflation, a tight labour market and repercussions from the war in Ukraine, could not be quantified. The figure was therefore not being presented as a final out-turn for completion of works, but was believed to be a realistic estimate at the present time.

HIE's funicular strengthening contractor, Balfour Beatty, had resumed operations in April, following winter shutdown, and was currently focused on the passing loop section of the 1.9km viaduct. It was expected that 88 workers would be on site in the coming weeks. Design work had been completed for all major elements of the engineering project and the new control system that would be installed following completion of these works was being developed in Switzerland by specialist supplier Garaventa.

*[Paragraph removed in the interests of the effective conduct of public affairs].*

On masterplanning, Cairngorm Mountain (Scotland) Ltd's application to create mountain biking trails was now expected to be considered by the Cairngorms National Park Authority Planning Committee in May and officials were recommending approval. A separate application for new hill tracks had been approved in April. Stakeholder engagement was getting under way on the proposal to create a Centre for the Mountain Environment at the site of the present day lodge and to improve the sense of arrival at Cairngorm Mountain. Board members welcomed this, noting that signage at the foot of the mountain could also be improved.

The amount of HIE funding drawn down by CMSL in 2021/22 had been £1.8m. This was £500k less than had been allocated in the full business case. CMSL's 2022/23 business plan had been approved by HIE's Leadership Team. Charging for vehicle parking had been reintroduced and the car park would be upgraded shortly.

For several reasons, works to refurbish the Ptarmigan building at the top station were taking longer than had been estimated and the team warned that this would incur extra expenditure.

The next hearing on legacy legal cases had been scheduled for 28 July, following a 20-week adjustment period. *[Sentences removed in the interests of the effective conduct of public affairs].*

The Board approved the request for an additional £6.51m to continue with the funicular strengthening works. The Chair again stressed that Cairngorm is a project of national strategic significance that aims to deliver widespread economic benefit, and that a successful outcome will depend on substantial funding continuing to be provided by the Scottish Government.

*Elaine Hanton, James Palmer and Dave Macleod left the meeting.  
Belinda Oldfield rejoined the meeting.*

#### **4.1    HIE annual monitoring report for our Gaelic Plan 2021/22**

*Mairi Buchanan joined the meeting.*

The Board noted the annual monitoring report of HIE's current (third) Gaelic Plan for the 12 months from 8 March 2021 to 8 March 2022. This covered a range of primary indicators, including the use of Gaelic in news releases, social media, publications and signage, and staff training and resourcing of Gaelic skills within the organisation. It also reported on HIE's performance in using, learning and promoting Gaelic, and on issues relating to equalities and inclusion.

The agency was judged to have performed well against all measures. The report noted room for improvement in staff awareness training, and indicated that HIE would be taking action in 2022 to procure an external provider.

In discussion, it was confirmed that HIE's fourth Gaelic Plan, which the Board had endorsed with minor amendments in March 2022, had now been submitted to Bòrd na Gàidhlig (BnG) which had consented to HIE acting in accordance with its directions pending BnG feedback and approval.

*Mairi Buchanan left the meeting.*

#### **4.2    Green freeports**

*David Taylor joined the meeting.*

The Senior Development Manager, Energy Strategy, updated the Board on the Scottish Government's position on green freeports, highlighting their potential to stimulate economic growth and describing HIE's role in supporting prospective bids from the Highlands and Islands to the UK and Scottish Governments. Two green freeports were to be established in Scotland, offering a range of significant financial incentives to investors.

It was noted that a green freeport in the Highlands and Islands could aid efforts by HIE and partners to secure more manufacturing in offshore wind and green chemical production, develop strong industrial clusters, deliver future offshore wind capacity, and support wider green job creation. Two bids were being prepared in the region, by Opportunity Cromarty Firth and Orkney Islands Council, and HIE was committed to providing even-handed support to both.

In discussion, the Board expressed a strong desire to see a Highlands and Islands bid succeed, recognising the value that a green freeport could bring to the regional economy. Engagement with UK and Scottish Government ministers would be important to convey the region's strengths and the opportunity these present for the country as a whole.

With regard to Opportunity Cromarty Firth, the Senior Development Manager believed the bid would be strengthened by collaboration between the owners of the ports at Cromarty Firth and Ardersier, although it was acknowledged that achieving this would be challenging. It was agreed that the Senior Development Manager would consult the HIE Chief Executive before taking any action on this issue.

The Board emphasised the importance of ensuring that benefits generated by a green freeport would be shared as widely as possible, for example through manufacturing and other supply chain

opportunities. Identifying ways to achieve wider benefits would strengthen a bid from the region. The Chief Executive also noted that regeneration was a key objective of green freeports, and one for which the Highlands and Islands could present a strong case.

The Scottish Government Team Leader, Enterprise Sponsorship advised the Board that enterprise agencies could have a role in assessing bids. If so, it would be important to ensure that HIE's approach to assessment at national level was kept separate from any support that might be made available to regional bidders.

The Board welcomed the update and the approach being taken by HIE to provide equal support to both bidders and work towards achieving a positive outcome for the Highlands and Islands.

*David Taylor left the meeting.*

### **4.3 Space sector**

*David Howie joined the meeting.*

The Director of Strategic Projects presented a paper updating the Board on projects to establish spaceports to launch satellites from Argyll, the Outer Hebrides, Shetland and Sutherland, as well as other UK spaceport projects and the development of a North Highland and Moray space cluster.

SaxaVord Spaceport in Shetland was continuing to forecast first launch taking place in 2022, although, with a projected 9-month construction period yet to start, the timescale was perhaps ambitious.

In discussion, it was confirmed that there was currently no private sector investment identified to support the Spaceport 1 proposals in the Outer Hebrides. Members asked whether HIE was in touch with SCDI and pursuing STEM activities in relation to the space sector and this was also confirmed.

Following the Board's decision to approve the full business case for Space Hub Sutherland, HIE's submission to the Scottish Government was being finalised and would be delivered shortly. The project team had hosted a successful visit by the Chief Executive of the UK Space Agency, taking in both the planned launch site itself and rocket manufacturer Orbex's factory and test facility in Moray. Orbex was understood to be making very good progress in raising finance and was planning major publicity in May for its innovative Prime launch vehicle. HIE was continuing to explore the potential for additional equity investment in Orbex, with others, to support the company's plans for further growth and job creation in Moray.

The Head of Strategic Projects confirmed that HIE staff were continuing to work positively with the Highland Council to discharge planning conditions relating to Space Hub Sutherland. Design work was continuing on important elements including the access road, river crossings and building foundations, and an order had been placed with SSEN to provide power to the site. Conditions relating to visitor management and decommissioning were also being addressed. HIE would shortly be assisting the Scottish Government with a Gateway Review of the project, which was due to take place in May.

HIE had signed a memorandum of understanding with neighbouring landowner Wildland Ltd, which had opposed the plans for Space Hub Sutherland, and it was now hoped to build a positive relationship. This could include the potential to work jointly on important local issues, including housing. The Board urged staff to explore any such economic development opportunities.

*[sentence removed due to commercial sensitivity].*

*[Sentences removed due to commercial sensitivity]*. The UKSA grant was currently subject to a change request from HIE that was expected to be settled in the very near future.

It was noted that Board members would have an opportunity to see Orbex's operations in Forres for themselves as part of an upcoming area visit to Moray which was being planned for June 2022.

The Chair thanked staff for the update.

*David Howie left the meeting.*

<b>5</b>	<b>ITEMS FOR INFORMATION</b> <b>CUSPAIREAN AIRSON FIOSRACHADH</b>
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**5.1 Any other business**

There was no other business.

**5.2 Forthcoming meeting dates:**

- Risk and Assurance Committee meeting Tuesday 7 June 2022
- Board meeting Tuesday 28 June 2022 (Moray)

The Chair thanked all attendees and the meeting ended at 1455.

Chris Roberts  
26 April 2022