

# BOARD MINUTE

22 APRIL 2024

---

Highlands and Islands Enterprise

APPROVED



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

**MINUTE OF THE HIE BOARD MEETING HELD ON MONDAY 22 APRIL 2024, STARTING AT 09:00  
IN TALLA NA MARA, PAIRC NISEABOIST, ISLE OF HARRIS, INNSE GALL, AND ONLINE**

**PRESENT (INNSE GALL)** Alistair Dodds (*Chair*)  
Angus Campbell (*Deputy Chair*)  
Stuart Black (*Chief Executive*)  
Simon Cotton  
Freda Newton  
Ailsa Raeburn  
Calum Ross  
Anna Salgado  
David Wilson

**PRESENT (ONLINE)** Keith Nicholson

**IN ATTENDANCE (INNSE GALL)**

Carroll Buxton Deputy Chief Executive  
Joanna Peteranna Area Manager, Innse Gall

**IN ATTENDANCE (ONLINE)**

Sandra Dunbar Director of Business Improvement and Internal Audit  
Rachel Hunter Director of Enterprise and Community Support  
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  
Anne-Marie Martin Deputy Director, Regional Economic Development, Scottish Government  
(for part of meeting)  
Jessie Laurie Head of Enterprise Sponsorship, Scottish Government  
Morag Goodfellow Area Manager, Argyll and the Islands, item 2.1  
David Reid Area Manager, Moray, item 2.2  
David Howie Head of Strategic Projects, item 2.2  
Nicky Sobey Senior Policy Manager, item 3.1  
Sandra Holmes Head of Community Assets, item 3.2  
Elaine Hanton Senior Project Lead, Regional Infrastructure, item 3.3  
Dave Macleod Head of Property and Infrastructure, item 3.3  
Lorna Gregson-MacLeod Head of Planning and Partnerships, item 4.3  
Alison Sharp Corporate Planner, item 4.3  
James Laraway Business Improvement Manager, item 4.4

**1 STANDING ITEMS**  
**CUSPAIREAN COTHROMACH**

**1.1 Welcome and apologies**

The Chair welcomed everyone to the meeting. No apologies had been received.

**1.2 Declarations of interest**

Ailsa Raeburn declared interests due to her role as a board member of Crown Estate Scotland in Sumitomo and the Inverness and Cromarty Firth Green Freeport, which were referenced in items 1.3 and 1.6. It was agreed that she would leave the meeting if details of either project were discussed under item 1.6. References to Sumitomo had been withheld from Board papers issued to Ms Raeburn.

The following Board and staff members made transparency statements in connection with items on the meeting agenda. None of these was considered to present a conflict of interest.

Board / staff member	Item	Transparency statement
Angus Campbell	2.2	Member of the Court of the University of the Highlands and Islands
	3.1	Chair of Ferries Community Board
Joanna Peteranna	3.1	Member of Ferries Community Board
Ailsa Raeburn	3.2	Chair, Community Land Scotland

**1.3 Draft minute of Board meeting, 27 February 2024 RESTRICTED**

The minute was approved as an accurate record of the meeting with one correction: to note that Freda Newton had been in attendance.

**1.4 Draft minute of Board decision, 18 March 2024 – Green Grant Fund amendment**

The minute was approved as an accurate record of the Board decision.

**1.5 Matters arising from the minutes and action grid**

The Chair noted that guidance on email retention for Board members would be included in information and data protection training material that was due to be delivered shortly.

The Director of Business Improvement and Internal Audit (BIIA) confirmed that Dr Poonam Malik, Co-chair of the New Deal for Business Group, was expected to attend the June meeting of the HIE Board via an online link to discuss the role of the group and the relationship between the New Deal for Business and the National Strategy for Economic Transformation.

A date was being arranged for Board members to receive subsidy training.

Engagement had taken place with the Scottish Government concerning the appropriate level of remuneration for the HIE Chief Executive's post and discussions were continuing.

Members requested that actions in the tracker relating to ongoing correspondence be kept open until the correspondence had been concluded.

All other matters arising would be covered under agenda items.

## 1.6 Chair and Chief Executive update **RESTRICTED**

The Board welcomed a summary of significant activities and issues that were currently being dealt with by HIE staff and were not covered elsewhere on the agenda. There was discussion on the following items:

- **Scottish COVID-19 inquiry**

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

- **Major projects including growth deals**

HIE had submitted a response to the UK Parliament Scottish Affairs Committee's inquiry into growth deals and would be presenting information to the Scottish Parliament Audit Committee regarding the updated business investment framework that was included in the Scottish Public Finance Manual.

- **Sumitomo **RESTRICTED****

*Ailsa Raeburn left the meeting.*

*[Paragraph removed in due to commercial sensitivity].*

- **Inverness and Cromarty Firth Green Freeport**

The UK Government had approved the statutory instrument to set up the Inverness and Cromarty Firth Green Freeport on 8 April and tax benefits were effectively now in place. *[Sentence removed due to commercial sensitivity].*

*Ailsa Raeburn rejoined the meeting.*

- **Space**

The Board noted continued progress with the construction of spaceports in Shetland and Sutherland, *[part of sentence removed due to commercial sensitivity].*

HIE had claimed £1.25m in 2023/24 from the Nuclear Decommissioning Agency in respect of the Sutherland project and would claim a similar amount in the present financial year.

- **Arnish**

*[Paragraph removed due to commercial sensitivity].*

*[Paragraph removed due to commercial sensitivity].*

- *[Item removed due to commercial sensitivity].*

- **BT Alness**

Redundancies had concluded in February and the premises were shut. *[Sentence removed due in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

- **SGL Carbon, Muir of Ord**

HIE was continuing to work with the Ross-shire company, which had implemented 74 redundancies and was evaluating options for its carbon fibre business unit.

- *[Item removed due to commercial sensitivity].*

- *[Item removed due in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*
- *[Item removed due in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*
- *[Item removed due in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

- **LionVolt / Denchi House**

LionVolt had taken over the lease of HIE-owned Denchi House in Thurso. *[Sentence removed due in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

- *[Item removed due in the interests of the effective conduct of public affairs].*

- **Scottish Government**

HIE and partner enterprise agencies were continuing to engage with the Scottish Government on strategic issues including NSET Refresh; Green Industrial Strategy; skills, including the Withers Review, and the Rural Delivery Plan.

- **Science Skills Academy**

HIE continued to pursue private sector funding for the Science Skills Academy, which had been supported by the Inverness and Highland City-Region Deal, *[part of sentence removed in the interests of the effective conduct of public affairs]. [Sentence removed due in the interests of the effective conduct of public affairs].*

- **Organisational development**

*Anne-Marie Martin joined the meeting*

The Board noted that Deputy Chief Executive Carroll Buxton would retire at the end of June after 32 years with HIE. It had been decided that some of the duties associated with this role would be transferred to a new position of Director of Area Operations, with others being divided among the existing directors. It was hoped that the Director of Area Operations would be recruited by the next Board meeting, scheduled for 25 June.

HIE's Workforce Planning Forum was continuing to work with Leadership Team on re-aligning resource to deliver the operating plan. The HR team was running team effectiveness sessions for business units across the organisation, focusing on managing change, building resilience and prioritisation.

- **Chair and Chief Executive engagement**

The Chair and Chief Executive had held a positive meeting with the new Cabinet Secretary, Màiri McAllan, highlighting the diversity of the regional economy, including the continuing importance of traditional industries as well as newer sectors. Other issues discussed included HIE's budget, Sumitomo, Cairngorm and Scottish Government funding for local delivery officers in communities across the region.

The Highlands and Islands Regional Economic Partnership (HIREP) and the Convention of the Highlands and Islands (CoHI) had met separately since the last HIE Board meeting and both sessions had focused on solutions to current challenges. Issues discussed at HIREP included community benefit, childcare, visitor

levy and addressing depopulation. At COHI, the DFM had welcomed the work being taken forward by HIREP, its vision for the future and focus on delivery.

Productive meetings had also been held with the leaders of the Communities Housing Trust, Skills Development Scotland, Inverness and Cromarty Firth Green Freeport, and the University of the Highlands and Islands.

The West Coast Vision conference, which HIE had supported Lochaber Chamber of Commerce to host, had been a highly successful event in Portree featuring high quality speakers and well-informed discussion on a broad range of important opportunities and issues affecting the local economy.

An event in Inverness had marked the conclusion of the Pathfinder Accelerator programme, which had seen HIE supplement Inverness and Highland City-Region growth deal funding to stimulate entrepreneurship and innovation both within Highland and further afield.

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

Recruitment of two new Board members had concluded with Cabinet Secretary approval and a public announcement from the Scottish Government was due shortly. Allan Clow and Melanie Collett would take up their three-year appointments on 1 May and were expected to attend the 25 June Board meeting. Mr Clow had also agreed to join the Risk and Assurance Committee, where his experience as an accountant would be valuable.

*[Paragraph removed due in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

## **2 DECISIONS** **CO-DHÙNAIDHEAN**

### **2.1 European Marine Science Park building 2**

*Graeme Adair and Morag Goodfellow joined the meeting.*

The Construction Frameworks Manager noted that approval had been granted at the Board meeting on 31 October 2023 for HIE to start procurement for a preferred supplier to construct a second building at the European Marine Science Park near Oban, with the outcome to be brought back to the Board for decision. This project would complement the existing Malin House, which was close to full occupancy, and meet an identified need for office and laboratory space for the marine sector in Argyll.

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

HIE staff confirmed that a region-wide property demand study had been carried out, although this had not delivered conclusive evidence regarding EMSP. However, information from clients already based in the science park indicated appetite for expansion. *[Sentence removed due in the interests of the effective conduct of public affairs].*

Staff confirmed that community benefits had been included in the procurement exercise and the preferred bidder exceeded requirements in that regard. Local housing pressures were acknowledged, although new homes were currently being built in the Drumbeg corridor.

The Board raised questions concerning revenue impacts arising from empty properties. This was noted and would be addressed in the property factoring budget, which was another item on today's meeting agenda. The Director of Finance and Corporate Services confirmed that the capital costs appeared affordable over two years subject to the budget settlement for 2025/26, which was currently unknown.

Following further discussion, the Board, recognising the importance of the Argyll marine cluster to the regional economy, *[part of sentence removed due in the interests of the effective conduct of public affairs]*. *[Sentence removed due in the interests of the effective conduct of public affairs]*. The Chief Executive noted that, as the project budget was above £1m, the Scottish Government would require an accountable officer template.

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

*Graeme Adair and Morag Goodfellow left the meeting.*

**2.2** *[Item removed due in the interests of the effective conduct of public affairs]*.

### **2.3 Inverness and Highland City-Region Deal: NIH Food TechHUB phase 2**

The Director of Enterprise and Community Support updated the Board on HIE's plans for the Northern Innovation Hub (NIH) Food TechHUB phase 2, an Inverness and Highland City-Region Deal project. Following review of the business case and dialogue with industry, it had been concluded that there was insufficient demand to proceed with the initial proposal to create a physical space for food and drink innovation at Fyrish House, Alness, as the Board had approved in April 2022. Instead, HIE was now proposing a virtual programme that would deliver similar outcomes, albeit with reduced impacts.

The revised programme comprised a mix of own hand and third-party delivery. It would focus on workplace innovation in the food and drink manufacturing sector and supply chain and include measures to contribute to HIE's net zero aspirations. All projects would complete by March 2026 in line with the wider NIH programme.

The Board noted that TechHUB phase 2 also required approval from the Inverness and Highland City-Region Deal (IHCRD) Programme Board which was due to meet on 23 April 2024. Initial feedback from the IHCRD indicated that a positive response was expected.

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

In discussion, Board members expressed support for the virtual model but observed that it would also be important to provide opportunities for food and drink business people to meet face-to-face. It was also agreed that staff should explore the potential to extend the programme beyond Highland region, including linking with other growth deals.

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

The Board approved the programme and procurement of services as outlined in the paper, with the additional measures of providing opportunities for face-to-face meetings and exploring the potential to expand the Food TechHUB beyond Highland. It was noted that the budget will be top-sliced.

*Anne-Marie Martin left the meeting.*

## **3 UPDATES** **CUNNTASAN AS ÙR**

### **3.1 Transport**

*Nicky Sobey joined the meeting.*

The Senior Policy Manager presented an update, highlighting the main transport challenges facing the Highlands and Islands and the role of transport as a critical enabler in maximising the region's economic

opportunities. The update covered issues relating to ferries, roads, rail, fixed links and aviation, and set out HIE's priority actions relating to transport.

During 2024/25, HIE intended to continue external engagement with public sector partners including the Scottish Government and Transport Scotland to press for the needs of businesses and communities to be fully considered within the strategic planning of Scotland's ferries network. This would include seeking to influence Transport Scotland's ongoing development of the Islands Connectivity Plan.

HIE would also work with Transport Scotland and local partners to support delivery of new Highlands and Islands transport developments that had been committed as part of the government's Strategic Transport Projects Review 2. Specific projects include developing an integrated transport plan for Fort William and the Inverness Railway Station redevelopment masterplan.

HIE had recently commissioned research on the nature and scale of transformational economic opportunity in the region, not only currently, but in the next five years and beyond. This would ensure a robust evidence base to support the socio-economic case for key transport investments along with other enablers such as housing and digital connectivity and it was intended to use the research findings to support the agency's influencing and engagement.

Board members engaged in detailed discussion on the issues raised, specifically highlighting the vital role of ferries to island businesses and communities and expressing concern that several areas were currently affected negatively by service disruption and levels of demand that exceeded provision.

The Board endorsed the priority actions, noting the importance of HIE continuing to seek influence with Transport Scotland and the Scottish Government. The upcoming research exercise would prove valuable in this regard and it was agreed that the findings should be brought to a future Board meeting for discussion. The Chief Executive also undertook to seek a meeting with the Cabinet Secretary for Transport to discuss issues raised in the report and Board discussion.

The Board thanked the Senior Policy Manager for a clear and comprehensive report and approved the proposed transport-related priorities for HIE.

*Nicky Sobey left the meeting.*

### **3.2 Scottish Land Fund and land reform**

*Sandra Holmes joined the meeting.*

The Head of Community Assets provided an update on community ownership of land and other assets, the Scottish Land Fund (SLF) and the related policy and legislative environment. This focused on HIE's historic and present work to strengthen communities, emphasising the importance of community ownership in supporting community wealth building across the Highlands and Islands. It also described HIE's national role in administering the Scottish Land Fund.

The enabling funding environment provided by the SLF and others, together with capacity building support from HIE, its partners and intermediaries, continued to drive positive impacts. However, current issues including a fast-paced, buoyant land market and constraints imposed by budget reductions affecting both HIE and the SLF, were making it more challenging to realise benefits from community asset projects.

The report underlined that asset ownership remained a cornerstone of HIE's community-led development activity and that, as the rural economy responds to a post-Brexit, post-Covid and net zero environment, HIE's support to rural communities would be all the more important. Community bodies were key partners in delivering social and economic growth across the region, particularly in more rural and island communities.



HIE had recently commissioned community wealth building research which would explore whether communities felt constrained in acquiring larger land assets, or if there was little appetite for such purchases. Whole estate buyouts had been the most transformational community ownership projects, so it was important to understand current motivations and barriers.

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

The Board thanked the Head of Community Assets for a very helpful report and presentation and agreed that the funding of the delivery resource posts should continue to be pursued with the Scottish Government..

*Sandra Holmes left the meeting.*

### **3.3 Cairngorm RESTRICTED**

*Elaine Hanton and Dave Macleod joined the meeting.*

*[Paragraph removed due in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

*[Paragraph removed due in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

*[Paragraph removed due in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

*[Paragraph removed due in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

*[Paragraph removed due in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

*[Paragraph removed due in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

*Elaine Hanton and Dave Macleod left the meeting.*

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

### **4.1 Financial statement**

The Director of Finance and Corporate Services presented HIE's draft outturn for the 12 months to 31 March 2024, subject to final adjustments and audit by Audit Scotland.

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

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

The Director explained that there were several risks and uncertainties heading into the final accounts process. *[Sentences removed due in the interests of the effective conduct of public affairs].*

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

In discussion, it was noted that income from property sales was less than had been budgeted. The Chief Executive explained that sales were in the pipeline and had been timed to take place in the early part of the current year for efficient budget management. *[Sentence removed due in the interests of the effective conduct of public affairs].*

The Board otherwise noted the draft outturn for the financial year 2023/24.

**4.2** *[Item removed due in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

### **4.3 Draft operating plan 2024-25**

*Lorna Gregson-MacLeod and Alison Sharp joined the meeting.*

The Board welcomed HIE's draft Operating Plan 2024/25, which will be the first annual plan to be published under the umbrella of the HIE Strategy 2023-2028.

The Head of Planning and Partnerships explained the plan was high-level, covering the economic context, key messages, actions and delivery focus for the current year, recognising budget pressures. It addressed the key policy areas reflected in HIE's draft guidance letter from the Scottish Government.

The new measures and targets for 2024/25 created clearer alignment with the outcomes in the strategy and areas HIE could progress using innovation programmes, with more reliance on staff delivery and available capital. All measures, including tracking measures, would be reported to the Board.

Additional and more direct targets had been introduced to reflect geographic targeting and community wealth building commitments, including sub-sets of historic measures such as average wages and capital asset investment. New terminology of 'Inclusive Growth Target Areas' had been introduced to update HIE's area targeting policy, which had previously been based on 'fragile areas'. The new model would use broader data and provide a more nuanced picture as well as replacing language that had been perceived as negative. The target areas encompassed locations where conditions to support economic growth were more challenging and/or economic performance lower than average for the Highlands and Islands.

Board members welcomed the draft and suggested some revisions. The importance of HIE's Gaelic Plan was noted and it was agreed that this should be reflected in the Operating Plan. Members requested that wording relating to housing and labour market challenges be strengthened. A reference to HIE's aim to leverage new sources of funding should be included under 'Prosperity' as well as 'Delivery'.

Performance measurement was discussed and it was agreed that this subject would be included on the agenda and discussed at an extra Board meeting, to be held on 3 June, including how to treat large projects such as Sumitomo and, in the previous year, Ross-shire Engineering and Bakkafrost. The Board also raised a question regarding measurement of actual jobs created, as compared to projections made when projects were appraised. The Head of Planning and Partnerships observed that calculating actual numbers for all HIE assistance would be challenging, but agreed that follow-up work on benefits realisation for larger projects could be undertaken after three years.

The Board otherwise noted the report and thanked the Planning and Partnerships team for the considerable work that had gone into the Operating Plan.

*Lorna Gregson-MacLeod and Alison Sharp left the meeting.*

### **4.4 Corporate risk register RESTRICTED**

*James Laraway joined the meeting.*

The Board received the Corporate Risk Register, which was the first to be prepared since the regular annual refresh. Three new corporate risks had been added, relating to: regional demographics; political / key stakeholder engagement, and major project delivery. Six risks had been removed. *[Sentence removed due in the interests of the effective conduct of public affairs].*

Attention continued to be paid to lessons learned and ensuring knowledge arising was being shared within and across HIE.

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

Subject to the above amendments, the Board approved the updated Register.

*James Laraway left the meeting.*

#### **4.5 Draft minute of Risk and Assurance Committee meeting, 14 March 2024 RESTRICTED**

Angus Campbell, as Chair of the HIE Risk and Assurance Committee (RAC), presented the draft minute of the most recent meeting, held on 14 March 2024. *[Sentence removed due in the interests of the effective conduct of public affairs, and due to commercial sensitivity].* Draft RAC minutes are routinely presented to the HIE Board for awareness before being formally approved by the Committee.

#### **4.6 Board standing orders**

*Louise Macmillan joined the meeting.*

The Board reviewed and approved revised Standing Orders and these will come into force with effect from 1 May 2024. It was also agreed that the role of Board Secretary should sit with the Head of Executive Office and approved a revised procedure for the signing of Board minutes.

#### **4.7 Authorised signatories**

The Board approved proposals for a revised authorised signatories list, to come into effect from 1 May 2024. Certain activities and documents require the signature of an authorised signatory, following appropriate approvals.

The new list (below) featured the addition of the new HIE solicitor, Jennifer Marshall, and a note to indicate that the Deputy Chief Executive, Carroll Buxton, would be retiring at the end of June 2024. No changes were proposed to the other existing signatories.

- Deputy Chief Executive – Carroll Buxton (to 30 June 2024)
- Director of Strategic Projects – David Oxley
- Director of Strategy and Regional Economy – Martin Johnson
- Director of Finance and Corporate Services – Nick Kenton
- HIE Solicitor – Alison Lyner
- HIE Solicitor – Jennifer Marshall
- Head of Executive Office – Adrian Kitson

The Board also noted that HIE staff would be reminded of the following process points:

- Ensuring appropriate due diligence is undertaken
- Ensuring approval is received from the relevant delegated authority
- Providing sufficient information to the authorised signatory to allow them to satisfy themselves that due diligence has been undertaken and appropriate approval is in place

- Ensuring appropriate audit trails are retained on files

Louise Macmillan left the meeting.

## 5 ITEMS FOR INFORMATION CUSPAIREAN AIRSON FIOSRACHADH

### 5.1 Draft end-year performance update

The Board noted the draft end-year performance update, which will be the main agenda item at the additional Board meeting on 3 June.

### 5.2 Any other business

There was no other business.

### 5.3 Forthcoming meeting dates

- *[Meeting date removed in the interests of the effective conduct of public affairs].*
- 03 June 2024 – Extra Board meeting: end-year performance update
- 04 June 2024 – Risk and Assurance Committee
- 25 June 2024 – HIE Board, An Lòchran, Inverness

Chris Roberts  
Head of Communications  
22 April 2024

APPROVED