

BOARD MINUTE

Extra meeting

3 June 2024

Highlands and Islands Enterprise

APPROVED



BOARD MEETING COINNEAMH BÙIRD

MINUTE OF THE HIE BOARD MEETING HELD ON MONDAY 3 JUNE 2024, STARTING AT 14:00 IN AN LÒCHRAN, INVERNESS CAMPUS AND ONLINE

PRESENT (INVERNESS) Alistair Dodds (*Chair*)
Stuart Black (*Chief Executive*)

PRESENT (ONLINE) Angus Campbell (*Deputy Chair*)
Keith Nicholson
Simon Cotton
Ailsa Raeburn
Calum Ross
David Wilson

IN ATTENDANCE (INVERNESS)

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
Lorna Gregson-MacLeod	Head of Planning and Partnerships
Andrew Sarjeant	Head of Corporate Data and Analytics
Alison Sharp	Corporate Planner

IN ATTENDANCE (ONLINE)

Carroll Buxton	Deputy Chief Executive
Rachel Hunter	Director of Enterprise and Community Support
Chris Roberts	Head of Communications
Andrew Carton	Team Leader (HIE), Enterprise Agency Sponsorship, Scottish Government

1.1 Welcome and apologies

The Chair welcomed everyone to the meeting, including Andrew Carton from HIE's sponsor team in the Scottish Government. Apologies had been received from HIE Board members Allan Clow, Melanie Collett, Freda Newton and Anna Salgado.

There were no declarations of interest.

1.2 End-year Review 2023/24

The Head of Planning and Partnerships presented HIE's End-year Review 2023/24, describing actions taken across the pillars and cross-cutting themes of the agency's strategic framework and delivery commitments. Overall, the review described a positive performance despite budget challenges, demonstrated by a breadth of output and achievement and good evidence of contributions towards key outcomes, targets and

objectives. It was noted that quality assurance checks were ongoing on data that was not held in the HIE data warehouse, with the result that some references could be adjusted prior to inclusion in the annual accounts.

The Board noted that the review would inform the content of HIE's annual report and that HIE planned to issue local and regional news releases once the present election period had passed. Members highlighted the value of highlighting the positive impacts of HIE's non-financial support. While this could be challenging to quantify, it was important to ensure HIE's partners, customers and the wider public were well informed of this aspect of the agency's role. Public messaging should also recognise that targets had deliberately been set at stretching levels and be clear on the reasons why some had not been achieved.

There was discussion on the proportionality of HIE investment by geographic area, noting that this varied from year to year and that a single year's figures could be skewed by large projects. It was confirmed that investment over five years was shown in HIE's annual accounts. Key challenges outwith HIE's control were noted, including housing, transportation and availability of labour. It was agreed that references to these issues would be strengthened and care taken to ensure the annual report fully reflected the breadth of HIE's role in supporting communities.

It was agreed that any further comments should be sent to the Head of Planning and Partnerships by Friday 7 June, to enable the report to be finalised.

The Chair thanked the Head of Planning and Partnerships and all involved in preparing a very full and clear report and a succinct presentation.

1.3 2024-25 measures and targets

The Head of Planning and Partnerships presented HIE's measures and targets for 2024/25, which had been shared with the Board in draft form at its last meeting, held on 22 April 2024.

Following a request from the Board, it was agreed to provide a version of the measures and targets that did not include Sumitomo, which was the largest single project. The Chair also noted that, although Sumitomo was described as an outlier, HIE supported large projects in most years, and it was important for staff and Board members to remain ambitious when setting targets.

The Board thanked the Planning and Partnerships team.

1.4 Inclusive growth weighting and geographic prioritisation

The Head of Corporate Data and Analytics presented two new tools that had been developed to support:

- prioritisation and resource allocation;
- investment appraisal and decision-making;
- understanding, demonstrating and reporting impact, and
- meeting our current and potential duties e.g. equalities, fair work, islands, wellbeing economy.

Both tools were based on measuring the degree of disadvantage experienced by individual geographic areas and would be used to define and present new inclusive growth focus areas. In discussion, it was proposed that the terminology 'focus areas' would be adopted as a more flexible and nuanced alternative to the current 'fragile areas' to support investment appraisal, corporate reporting and effective resource allocation.

These relatively disadvantaged focus areas accounted for 33% of the region's population, a significantly larger proportion than that covered by the fragile areas definition (12%). This was largely due to the inclusion of Kintyre and several towns, including Stornoway, Wick and Thurso, which had been excluded from fragile

areas, but which faced challenges highlighted by the new tools, particularly income deprivation and working age population decline.

The Board endorsed the direction of travel and welcomed these innovations, while recognising that they were at an early stage of development and had not yet been subjected to stress testing. It was agreed that a sub-group will be arranged over the summer to enable more detailed demonstration of the tools and discussion of the overall approach being taken.

Chris Roberts
3 June 2024

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