

HIGHLANDS AND ISLANDS ENTERPRISE

HIE 07/13

BOARD MEETING – WEDNESDAY 12 FEBRUARY 2014, HORIZON CENTRE, FORRES

DRAFT MINUTES

PRESENT:

Lorne Crerar (Chairman)
Alex Paterson (Chief Executive)
Donald MacDonald
Iseabail MacTaggart
Jim Royan
Craig Spence
William Swann
Steve Thomson

IN ATTENDANCE:

John Swinney MSP	Scottish Government Cabinet Secretary for Finance, Employment and Sustainable Growth
Carroll Buxton	Director of Regional Development
Forbes Duthie	Director of Finance and Corporate Services
Charlotte Wright	Director of Business and Sector Development
Rachael McCormack	Director of Strengthening Communities
Sandra Dunbar	Head of Business Improvement and Internal Audit
Karen Moncrieff	Head of Human Resources
Chris Roberts	Head of Communications
Alastair Nicolson	Head of Planning and Partnerships (items 3.1 and 3.2)
Douglas Cowan	Argyll the Islands Area Manager (item 4.1)
Margaret McSporrان	Argyll and the Islands Area Team (item 4.1)
Elaine Hanton	Head of Energy (items 4.1 and 4.2)
David Oxley	Moray Area Manager (item 5.1)

[Redacted]

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3. RESOURCES AND GOVERNANCE

Alastair Nicolson joined the meeting.

John Swinney MSP, Cabinet Secretary for Finance, Employment and Sustainable Growth, joined the meeting.

The Cabinet Secretary confirmed that he would shortly be considering recommendations for new appointments to the HIE Board. Mr Swinney recorded his gratitude to all HIE Board members for their contributions, and expressed his personal thanks to Jim Royan, whose final HIE Board meeting this was, for his strong input to the Moray Task Force and Moray Economic Partnership in particular.

Mr Swinney offered strategic guidance to the Board, focusing on three areas of activity which the Scottish Government would look for continued progress in the Highlands and Islands. These were: strategic interventions, for example the current digital strategy, which demonstrate that the Highlands and Islands is a region for business; maintaining a focus on all the key national growth sectors, especially energy, food and drink, and tourism, and

ensuring the full economic value of UHI is developed; and tackling issues of fragility and creating opportunities which generate community development.

On the subject of pensions, Mr Swinney confirmed that the Scottish Government was comfortable with the proposed changes to the HIE Superannuation Scheme. However, he requested that a suitable form of wording should be agreed between the government and HIE regarding future potential changes to the normal retirement age of the scheme.

The Board discussed HIE's plans to build new shared premises with the University of the Highlands and Islands at Inverness Campus, and to secure interim accommodation for Inverness-based staff at Fraser House in the city centre from May 2014 until the new building is ready, which is expected to be at the end of 2015. Mr Swinney confirmed the Scottish Government's support for both plans, subject to a final review of costs following tender of the proposed new building.

3.1 Corporate Report

HIE 2004/02226

The Head of Planning and Partnerships presented the latest Corporate Report, showing that the Highlands and Islands economy was continuing to exhibit resilience to the challenges posed by current economic conditions. Unemployment rates remain significantly lower than either Scotland or the UK at 2.1% for December 2013, a trend which has been fairly constant since the recession. The economic activity rate for the Highlands and Islands stood at 78.9% for the year to June 2013, with all sub-areas experiencing a higher rate than both Scotland and the UK. In addition, recent research findings suggested the outlook for Highlands and Islands businesses was one of resilience and resolve. Optimism for future prospects remained high as were aspirations to grow. Over the past year HIE has contributed towards job creation projects with a total investment value of £100m – suggesting the research evidence is a reliable reflection of economic conditions.

In fragile areas, HIE's Community Capacity Building programme was delivering continuity of support for account managed communities. Our new programme designed to enhance cultural capacity, Collaborative Creative Communities, had engaged four pilot organisations and approved year one development funding. Following 10 years of sustained community effort, community ownership of the Pairc Estate (Isle of Lewis) was expected shortly, bringing a further 27,000 acres into community ownership.

Overall, HIE was delivering well against all in-year measures, and on course to achieve or exceed all ranges which had been forecast at the start of the year.

3.2 Draft Operating Plan 2014-17

HIEA 2013/00841

The Chief Executive introduced the latest draft of the HIE Operating Plan 2014-17, which will come into effect on 1 April 2014. The new plan aimed to build on recent achievements and continue HIE's aspiration to move up a gear, particularly in the organisation's work to drive productivity among account managed businesses, and to reduce fragility and peripherality in more remote parts of the region.

The Director of Business and Sector Development placed continuing emphasis on supporting the growth and ambition of client businesses and social enterprises, with a particular focus on growth sectors. Effort would be applied to strengthen the levers which generate well-paid employment, including leadership and entrepreneurship, collaboration with key organisations, support for individual business leaders, international trade and inward investment. There would be a greater focus on sales and marketing, and on realising the

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

John Swinney MSP
Deputy First Minister and Cabinet Secretary for Covid Recovery
Scottish Parliament

Sent by email: DFMCSR@gov.scot

28 May 2021

Dear Deputy First Minister

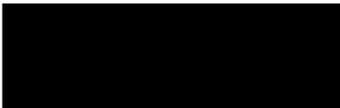
On behalf of Highlands and Islands Enterprise (HIE), we are writing to offer our congratulations on your appointment as Cabinet Secretary for Covid Recovery.

We look forward to working with you in your new role and very much hope that we will have an early opportunity to meet and update you on HIE's current activities and progress, and our aspirations for the future development of the Highlands and Islands.

We realise you will have very heavy diary commitments and so we will be entirely flexible on times for a meeting. In the meantime, should you have any questions or wish to contact HIE directly please do not hesitate to get in touch with us at corporate.relations@hient.co.uk.

We wish you all the best with your new portfolio.

Your sincerely



Alistair Dodds CBE
Chair



Charlotte Wright
Chief Executive



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

Jamie Hepburn MSP
Minister for Higher Education and Further Education, Youth Employment and Training
Scottish Parliament

Sent by email: MinisterHEFEYET@gov.scot

28 May 2021

Dear Minister

On behalf of Highlands and Islands Enterprise (HIE), we are writing to offer our congratulations on your appointment as Minister for Higher Education and Further Education, Youth Employment and Training.

We look forward to working with you in your new role and very much hope that we will have an early opportunity to meet and update you on HIE's current activities and progress, and our aspirations for the future development of the Highlands and Islands.

We realise you will have very heavy diary commitments and so we will be entirely flexible on times for a meeting. In the meantime, should you have any questions or wish to contact HIE directly please do not hesitate to get in touch with us at corporate.relations@hient.co.uk.

We wish you all the best with your new portfolio.

Your sincerely



Alistair Dodds CBE
Chair



Charlotte Wright
Chief Executive



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

Jenny Gilruth MSP
Minister for Culture, Europe and International Development
Scottish Parliament

Sent by email: MinisterCEID@gov.scot

28 May 2021

Dear Minister

On behalf of Highlands and Islands Enterprise (HIE), we are writing to offer our congratulations on your appointment as Minister for Culture, Europe and International Development.

We look forward to working with you in your new role and very much hope that we will have an early opportunity to meet and update you on HIE's current activities and progress, and our aspirations for the future development of the Highlands and Islands.

We realise you will have very heavy diary commitments and so we will be entirely flexible on times for a meeting. In the meantime, should you have any questions or wish to contact HIE directly please do not hesitate to get in touch with us at corporate.relations@hient.co.uk.

We wish you all the best with your new portfolio.

Your sincerely



Alistair Dodds CBE
Chair



Charlotte Wright
Chief Executive



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

Angus Robertson MSP
Cabinet Secretary for the Constitution, External Affairs and Culture
Scottish Parliament

Sent by email: CabSecCEAC@gov.scot

28 May 2021

Dear Cabinet Secretary

On behalf of Highlands and Islands Enterprise (HIE), we are writing to offer our congratulations on your appointment as Cabinet Secretary for the Constitution, External Affairs and Culture.

We look forward to working with you in your new role and very much hope that we will have an early opportunity to meet and update you on HIE's current activities and progress, and our aspirations for the future development of the Highlands and Islands.

We realise you will have very heavy diary commitments and so we will be entirely flexible on times for a meeting. In the meantime, should you have any questions or wish to contact HIE directly please do not hesitate to get in touch with us at corporate.relations@hient.co.uk.

We wish you all the best with your new portfolio.

Your sincerely



Alistair Dodds CBE
Chair



Charlotte Wright
Chief Executive



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

Michael Matheson MSP
Cabinet Secretary for Net Zero, Energy and Transport
Scottish Parliament

Sent by email: CabSecNetZET@gov.scot

28 May 2021

Dear Cabinet Secretary

On behalf of Highlands and Islands Enterprise (HIE), we are writing to offer our congratulations on your appointment as Cabinet Secretary for Net Zero, Energy and Transport.

We look forward to working with you in your new role and very much hope that we will have an early opportunity to meet and update you on HIE's current activities and progress, and our aspirations for the future development of the Highlands and Islands.

We realise you will have very heavy diary commitments and so we will be entirely flexible on times for a meeting. In the meantime, should you have any questions or wish to contact HIE directly please do not hesitate to get in touch with us at corporate.relations@hient.co.uk.

We wish you all the best with your new portfolio.

Your sincerely



Alistair Dodds CBE
Chair



Charlotte Wright
Chief Executive



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

Ivan McKee MSP
Minister for Business, Trade, Tourism and Enterprise
Scottish Parliament

Sent by email: MinisterBTTE@gov.scot

27 May 2021

Dear Ivan

On behalf of Highlands and Islands Enterprise (HIE), we are writing to offer our congratulations on your appointment as Minister for Business, Trade, Tourism and Enterprise.

We look forward to working with you in your new role and to our meeting on 23 June where we can update you on HIE's current activities and progress, and our aspirations for the future development of the Highlands and Islands.

In the meantime, should you have any questions or wish to contact HIE directly please do not hesitate to get in touch with us at corporate.relations@hient.co.uk.

We wish you all the best with your new portfolio.

Your sincerely



Alistair Dodds CBE
Chair



Charlotte Wright
Chief Executive



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

Graeme Dey MSP
Minister for Transport
Scottish Parliament

Sent by email: MinisterFT@gov.scot

28 May 2021

Dear Minister

On behalf of Highlands and Islands Enterprise (HIE), we are writing to offer our congratulations on your appointment as Minister for Transport.

We look forward to working with you in your new role and very much hope that we will have an early opportunity to meet and update you on HIE's current activities and progress, and our aspirations for the future development of the Highlands and Islands.

We realise you will have very heavy diary commitments and so we will be entirely flexible on times for a meeting. In the meantime, should you have any questions or wish to contact HIE directly please do not hesitate to get in touch with us at corporate.relations@hient.co.uk.

We wish you all the best with your new portfolio.

Your sincerely



Alistair Dodds CBE
Chair



Charlotte Wright
Chief Executive



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

Richard Lochhead MSP
Minister for Just Transition, Employment and Fair Work
Scottish Parliament

Sent by email: MinisterJTEFW@gov.scot

28 May 2021

Dear Richard

On behalf of Highlands and Islands Enterprise (HIE), we are writing to offer our congratulations on your appointment as Minister for Just Transition, Employment and Fair Work.

We look forward to working with you in your new role and very much hope that we will have an early opportunity to meet and update you on HIE's current activities and progress, and our aspirations for the future development of the Highlands and Islands.

We realise you will have very heavy diary commitments and so we will be entirely flexible on times for a meeting. In the meantime, should you have any questions or wish to contact HIE directly please do not hesitate to get in touch with us at corporate.relations@hient.co.uk.

We wish you all the best with your new portfolio.

Your sincerely


Alistair Dodds CBE
Chair


Charlotte Wright
Chief Executive

[REDACTED]

[REDACTED]

-

Professor Lorne D Crerar, Chairman
T +44 (0)1463 245240
E lorne.crerar@hient.co.uk

By e-mail to - Ministerbie@gov.scot

Paul Wheelhouse MSP
Minister for Business, Innovation and Energy
The Scottish Government
St. Andrew's House
Regent Road
Edinburgh
EH1 3DG

2 May 2018

Dear Paul

Wave Energy Scotland – Future Funding

I am writing to you regarding the future funding position for Wave Energy Scotland (WES). Under the current arrangements, funding is agreed year by year, usually just prior to the start of the financial year. This process has worked well so far, however, as the WES technology programmes mature and WES starts to focus on building real sea wave energy devices, the complexity and scale of the engineering contracts will require durations of at least 2 years, with a significant lead-in period before that. Without a line of sight to likely future funding for WES it is not possible for them to commit to programmes that will achieve the objectives set out for the organisation back in 2014. [REDACTED]

[REDACTED]

An updated WES Business Plan, based on the costs and programme at the appendix, was submitted to the HIE board on the 24 Apr 2018 for approval. [REDACTED]

Highlands and Islands Enterprise, An Lòchran, 10 Inverness Campus, Inverness, IV2 5NA, Scotland
Iomairt na Gàidhealtachd 's nan Eilean, An Lòchran, 10 Làrach Inbhir Nis, Inbhir Nis, IV2 5NA, Alba

T +44 (0)1463 245245 E. info@hient.co.uk W www.hie.co.uk

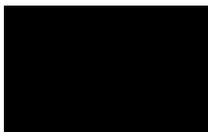
At the inception of WES the main objectives were to maintain Scotland's leading position in the Marine Industry, demonstrate that wave energy can be a viable low carbon energy source, and bring back private investment into the sector, as well as providing a development pathway for Scottish wave companies.

WES has now established an international reputation within the wave energy sector and has developed a model for driving innovation in the public sector that is now being copied by several other nations and is being adopted by the EU Commission as best practice. The WES programme has funded 77 projects, with 177 organisations developing the best technology from across Europe. Scottish companies dominate the programme, with 3 out of 4 of the supported wave developers being Scottish. The WES programmes have also attracted industrial providers from more mature technology sectors such as oil and gas, automotive and the aircraft industry, with companies such as Ecosse Subsea Solution, Umbra Group, Mitsubishi Heavy Industries and Romax.

Over the last 3 years WES programmes have developed technology in the 4 key areas of: Wave Devices, Power Conversion, Advanced Control Systems and Structural Materials. Over the next 3 years WES intends to integrate these technologies together with the overall aim of demonstrating two scale wave devices in real sea conditions at EMEC in 2020. These "proof of concept" devices will have performance, reliability and survivability that will demonstrate to the market that wave energy is a commercial prospect.

The WES Programmes have clearly defined costs, structures and objectives, and WES and HIE would like to work with the Scottish Government to develop a funding position for this year and future years, that allows WES to meet its objectives and secure a dominant position for Scotland in commercialising this technology. I would very much welcome your views to enable me to move matters forward.

Kind regards



Professor Lorne D Crerar
Chair

Appendix

