

# BOARD MINUTE

29 OCTOBER 2024

---

Highlands and Islands Enterprise

APPROVED



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

**MINUTE OF THE HIE BOARD MEETING HELD ON TUESDAY 29 OCTOBER 2024, STARTING AT 08:30  
IN MCKAYS HOTEL, WICK, AND ONLINE**

**PRESENT (WICK)**

Alistair Dodds (*Chair*)  
Angus Campbell (*Deputy Chair*)  
Stuart Black (*Chief Executive*)  
Allan Clow  
Melanie Collett  
Simon Cotton  
Freda Newton  
Keith Nicholson  
Ailsa Raeburn  
Calum Ross  
David Wilson

**PRESENT (ONLINE)**

Anna Salgado

**IN ATTENDANCE (WICK)**

Sandra Dunbar	Director of Business Improvement and Internal Audit
Rachel Hunter	Director of Enterprise and Community Support
Nick Kenton	Director of Finance and Corporate Services
Martin Johnson	Director of Strategy and Regional Economy
Joanna Peteranna	Director of Area Operations
Eann Sinclair	Area Manager, Caithness and Sutherland
Chris Roberts	Head of Communications
Victoria Wardley	Executive Assistant
Andrew Carton	Team Leader (HIE), Enterprise Agency Sponsorship, Scottish Government

**IN ATTENDANCE (ONLINE)**

Karen Moncrieff	Director of Human Resources
James Gibbs	Director of Freeport Delivery, item 2.1
Iain Bolland	Diligence Quality Manager, item 2.1
David Reid	Area Manager, Moray, item 2.2
Fiona Robb	Head of Strengthening Communities, item 2.2
Peter Guthrie	Programme Head, Strategic Projects, item 3.5
Margaret McSporrán	Head of Community Wealth Building, item 3.3
Audrey McIver	Area Manager, Inner Moray Firth, item 3.6
Paul Dzialdowski	Property Portfolio Manager, item 3.6
James Laraway	Business Improvement Manager, item 4.3

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

**1.1 Welcome and apologies**

The Chair welcomed everyone to the meeting, including Andrew Carton from the Scottish Government and Eann Sinclair, HIE's Caithness and Sutherland Area Manager. There were no apologies.

## 1.2 Declarations of interest

Ailsa Raeburn declared an interest in Sumitomo, which was referenced in item 1.5, due to her role as a board member of Crown Estate Scotland. It was agreed that Ms Raeburn would leave the meeting if details of this project were discussed. References to Sumitomo had been withheld from Board papers issued to Ms Raeburn.

## 1.3 Draft minute of Board meeting, 27 August 2024 **RESTRICTED**

The minute was approved as an accurate record of the meeting, with one correction to a company name in Freda Newton's transparency statement. The correct title is: Dingwall and Highland Marts Ltd.

## 1.4 Matters arising from the minute and action grid **RESTRICTED**

Item 3.2: The Chief Executive informed the Board that a protocol between the enterprise agencies and SE/SDI had been drafted and was being reviewed.

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

It was noted that some actions that were marked as completed in the action grid required follow-up activity and should not be closed.

All other matters arising would be covered under agenda items.

## 1.5 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:

- **Legal matters**

The Director of Business Improvement and Internal Audit (BIIA) noted that the Business and Welfare strand of the Scottish Covid-19 Inquiry would start in early December. HIE was a core participant in the Inquiry and would maintain a watching brief on proceedings

- [Item removed due to commercial sensitivity].

- **Sumitomo**

As this item was a routine update, it was decided that Ailsa Raeburn could remain in the meeting, despite having declared an interest. The Director of Strategic Projects confirmed that land transactions were now concluded and Sumitomo was progressing with construction. The company had also held several events to promote supply chain opportunities.

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

- **Arnish / Harland and Wolff**

The Director of Strategic Projects informed the Board that Harland and Wolff Arnish continued to trade, although parent company Harland and Wolff Group Holdings had entered administration on 27 September.

The Director had met Spanish company Navantia, which had been confirmed as the preferred bidder to acquire all four Harland and Wolff sites and was currently conducting due diligence. *[Sentences removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

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

- **Bakkafrost**

It was understood that the majority of Bakkafrost's former employees in Stornoway had obtained alternative employment. HIE was continuing to engage with the company, with a view to securing future investment.

- **Rothesay Pavilion**

*[paragraph/sentence(s)/item removed in the interests of the effective conduct of public affairs].*

*[paragraph/sentence(s)/item removed in the interests of the effective conduct of public affairs].*

*[paragraph/sentence(s)/item removed in the interests of the effective conduct of public affairs].*

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

- **A3 Conference**

The Board noted the success of the A3 Scotland international conference, hosted in Inverness in September by HIE and Scotland's Rural College, which had attracted almost 200 international delegates with an interest in animal health, agritech and aquaculture. During the two-day event, HIE had launched a new Life Sciences Capital Growth Fund to support investment in the sector over the next three years. Delegate feedback had been very positive and many attendees had made new connections that they expected would lead to economic opportunities.

- **Scottish Government**

The Director of Strategy and Regional Economy updated the Board on HIE's ongoing engagement with the Scottish Government on a range of matters. The new Programme for Government had launched in September and showed strong alignment with HIE Strategy. The Green Industrial Strategy had also been published during the same month and had a welcome focus on socio-economic benefits from offshore wind. HIE was continuing to liaise with the Government on forthcoming developments including post-school education and skills reform, Rural Delivery Plan and Islands Plan.

In response to a question on the Islands Plan, the Director of Area Operations confirmed that she was now leading on engagement with the Scottish Government and discussions to date had been very positive, although the timescale for the plan was not yet clear. *[Sentence removed in the interests of the effective conduct of public affairs].*

- **HIE all-staff conference**

HIE had held an all-staff conference on 25 September, using Microsoft Teams to connect employees based in all its premises as well as home workers, with Board members also invited to attend. Based on the theme of *Maximising our Delivery*, the event had used a Dragons' Den format to generate new ideas which would

be discussed and developed in the coming months, including ways to mark the sixtieth anniversary of the founding of the Highlands and Islands Development Board in 2025. Staff feedback had been overwhelmingly positive.

The Chair and Board members who had taken part commented that the event had been very worthwhile and offered their thanks to all who had been involved in organising the conference.

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

- **Annual report and accounts**

HIE's unaudited annual report and accounts for 2023/24 had been submitted to Audit Scotland in line with the agreed timetable and presented to RAC on 17 September. External audit was progressing according to plan and audited accounts were due to be presented to RAC on 19 November and laid in the Scottish Parliament thereafter. Following signoff, the Board would receive the annual report and accounts for information in December.

- **Organisational development**

The Director of HR confirmed a series of changes that had been made as a result of the resignation of the Director of Finance and Corporate Services, who would leave HIE in December. Procurement and Information Services teams had moved to BIIA and would be joined in December by Financial Management and Financial Services. Information Governance was now part of the Executive Office.

The Orkney Area Manager was taking up a new post as Head of Marine Energy in the Strategic Projects Directorate from 1 January 2025, the current Area Manager posts for Orkney and Shetland were being combined and a new post of Area Team Leader, Orkney, would be created.

It was agreed that a report setting out the new financial governance arrangements would be delivered to the Board at its next meeting.

The Board also welcomed news that HIE had been recognised as a Carer Positive Exemplary Employer and had renewed its Social Impact Pledge, including a commitment to volunteering and the promotion of Gaelic language and culture.

Freda Newton, as Chair of HIE's Remuneration Committee, provided a verbal summary of the most recent meeting. This had included discussion of the Chief Executive's remuneration and the Director of HR confirmed that a case had been submitted to the Scottish Government. HIE also expected to receive information in December, following the Scottish Government budget announcement, which would inform the organisation's forthcoming pay remit.

- **Chair and Chief Executive engagement**

The Chair and the Chief Executive had held a positive meeting with the Deputy First Minister (DFM), when matters discussed had included the new Programme for Government and Green Industrial Strategy, enterprise agency funding, childcare provision and broadband. The DFM urged HIE to continue to look at significant opportunities to attract private investment into major projects that would benefit Scotland's economy.

The most recent meeting of the Convention of the Highlands and Islands (COHI) had been chaired by the DFM, with the FM attending. Topics had included housing and the Highlands and Islands Regional Economic Partnership strategy, which HIE had a significant role in shaping. COHI members took the opportunity to stress the importance of national policies being relevant to the needs of rural and island communities, as well as areas of greater population.

The Chair and the Chief Executive had a productive visit to HIE's area team in Shetland and visited local businesses and community groups benefiting from HIE support.

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

A visit to Skye and Raasay had been very worthwhile, with the Raasay Distillery and Isle of Skye Candles demonstrating the range of positive impacts a successful business venture can generate for the wider community. It was clear, however, that housing remains a significant challenge.

On a visit to the West Highland mainland by the Chair and Area Manager, it was good to see a range of local initiatives being led by Ardtornish Estate and Morvern Community Development Company, including renewable power generation and construction of new housing. A visit to the Lochaline sand mine had been very informative.

The Chair and HIE's Head of Housing, Skills and Population had attended a Housing Challenge Summit organised by the Highland Council in Aviemore. This had underlined the amount of effort required to tackle the housing agenda, and had been successful in bringing together a broad range of businesses and organisations involved in housing provision, including construction and utility companies, which play a vital role. It was encouraging to see the Highland Council's commitment to address challenges, including an aspiration to build 24,000 new homes, double its previous target. The Board also noted a recent announcement from SSEN Transmission, which intends to build hundreds of new homes.

The current visit had enabled Board members to experience community venture Kyle of Sutherland Hub, local business Dunnett Bay Distillery and the site of Sutherland Spaceport, and to host a well-attended and active engagement session in Wick with business and community leaders. Regarding the spaceport, the Chair emphasised the importance of HIE working effectively with Orbex to maximise the local economic and community benefits that the project had the potential to deliver.

## 2 DECISIONS CO-DHÙNAIDHEAN

**Note:** for scheduling reasons, item 3.1 was taken before item 2.1.

### 3.1 Offshore Wind Investment Programme

The Director of Strategic Projects informed the Board on progress by the Offshore Wind Investment Programme (OWIP). This funding initiative, with a value of up to £500m over five years, had been announced in October 2023 by the then-First Minister and was managed by the Scottish Government.

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

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

The Board welcomed the update, noting that HIE's 2023-28 strategy identified offshore wind as a regional transformational opportunity. Discussion highlighted the fast pace of the offshore wind market at present as well as its considerable potential as an economic driver for the Highlands and Islands. The Director outlined governance procedures and confirmed that HIE would also expect to continue to support a range of smaller scale projects on a business as usual basis at ports that may not be awarded OWIP funding.

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

## 2.2 Moray Growth Deal Culture Quarter

David Reid and Fiona Robb joined the meeting.

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

Overall, the culture quarter project was designed to increase visitor spend in Moray, contribute to a rise in young residents aged 16-29, drive greater attendance at Elgin Town Hall events, and generate more start-up businesses in tourism and creative industries.

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

If the Board decided to approve HIE funding, Moray Council was expected to commence procurement quickly. Costs outlined in the paper were up to date and believed to be robust, although value engineering could be applied if necessary to keep actual project costs within budget.

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

The Chief Executive commented that cultural projects had an important role in building community confidence across the region over the medium and long term and suggested that HIE could look to commission research on this subject in the next financial year.

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

David Reid and Fiona Robb left the meeting.

## 3 UPDATES CUNNTASAN AS ÙR

### 3.2 HIE's approach to inclusive growth focus areas

The Director of Strategy and Regional Economy presented a paper setting out details of HIE's revised approach to identifying disadvantaged areas to support inclusive growth, including a map of defined inclusive growth focus areas (known simply as 'focus areas' for short). Further detail had been requested when the Board had approved the new approach in principle in June 2024 and the paper described both the rationale behind the move and three distinctive and complementary roles that HIE was playing.

These roles were as a *leader* with HIE delivering programmes and investment at its own hand; as a *co-owner* working in partnership with other bodies in the private, public and third sectors, and as a *broker / facilitator* building connections to influence and facilitate the design and delivery of relevant policies and programmes including those that came from Government.

The Board emphasised the importance of HIE continuing to demonstrate to the Scottish Government the considerable economic and community value generated across the region with relatively small amounts of money through HIE's activities. The Director provided assurance that HIE was engaging pro-actively with the Government, with a view not only to sustain and attract funding but also to influence decision making to optimise regional benefits that would arise from national policies and initiatives. A successful example of this was the Government's decision to continue providing support for local development officers in

focus areas across the Highlands and Islands during the current financial year and to develop a new model for future funding.

The Board welcomed the report, endorsing the importance of HIE continuing to support focus areas and seeking to drive transformational change. It was noted that further updates will be delivered to future meetings focusing on specific themes. Housing and childcare will be on the December 2024 Board agenda, while infrastructure strategy and community wealth building would feature in February 2025. The Board also asked for an update on community benefit to be presented for discussion at a future date.

### **3.3 Communities and social economy**

*Margaret McSporran joined the meeting.*

The Director of Enterprise and Community Support introduced the Head of Community Wealth Building who presented a paper outlining current opportunities and challenges facing social and community organisations in the Highlands and Islands. This covered current challenges and opportunities and indicated areas in which HIE may need to pivot future support to ensure no part of the region is left behind.

Recognising regional opportunities and a changing legislative and financial climate, HIE staff were currently reviewing community development needs and ambitions. This review will influence HIE's community wealth building plan which will be brought forward early in the new year and will include recommendations for the agency's future work with social enterprises and communities in the region. It was clear, however, that difficult choices would need to be made to sustain the region's social economy and leverage opportunities for its growth.

Community development was a core element of HIE's remit that had evolved over time. The social economy made a significant contribution to regional development through a variety of activities, including land and asset ownership, sectoral activities, energy generation, business and digital infrastructure, housing and care.

The region was home to around 8,000 voluntary and community groups, social enterprises and cooperatives, many of which made a direct contribution to economic sectors including tourism, heritage and food and drink, as well as underpinning the social fabric of places for the local population. Such organisations were facing increasing challenges, however, and the financial sustainability of several key strategic social enterprises in the region was currently under pressure.

Demand from organisations experiencing resilience issues was rising and there was a need to improve innovation and accelerate their business plans towards greater self-sufficiency and less dependency on public funding. Volunteer fatigue and depopulation were other areas of concern.

The report indicated that, while the number of projects HIE supported for resilience matters in the social economy had increased from 83 to 203 in the two most recent financial years, the ability of HIE and partner organisations to provide financial support had become increasingly challenging. This was particularly true of revenue funding, which played an essential role in enabling project development, capacity building and skills.

Board members discussed this subject in depth, noting that HIE's new approach to focus areas would be helpful to guide effective decisions and actions. Financial challenges affecting local authorities were noted and HIE's focus on driving community benefit from private investment was welcomed, as was the role of HIE staff across the region in providing valuable non-financial support.

While the report stressed the importance of addressing market failure, it was agreed that identifying and pursuing market opportunity through income-generating projects was equally vital. HIE also had a role in facilitating and strengthening productive relationships between community organisations and businesses.



The Board thanked the Director of Enterprise and Community Support and the Head of Community Wealth Building for their input to today's discussion on this important subject to which the Board would return in future meetings.

### **3.4 HIE's approach to client engagement**

The Director of Enterprise and community Support presented an overview of HIE's approach to client engagement, which had been reviewed and refreshed to align with the agency's 2023-28 strategy and maximise impact. The new approach took into account the wider fiscal environment, pressures on revenue budgets, and a reduction in the overall number of HIE employees, while also seeking to develop current significant opportunities in renewable energy, space, the blue economy and other sectors..

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

The agency's approach was based on working with businesses, social enterprises and communities of all sizes to help them develop and grow. Support was place-based and tailored to capitalise on opportunities across the region to help each community and organisation reach its potential. Effective engagement was vital both to provide structure when supporting interactions with clients and to capture data to demonstrate impact and growth.

Key changes that had recently been approved by HIE's Leadership Team included a sharper focus on delivering client plans that would contribute to more than one key outcome and support HIE's in-year measures over a three-year period. There was a greater emphasis on the ambition and quality, rather than quantity, of engaged clients and on supporting innovation and productivity, particularly in the food and drink and tourism sectors. Clearly defined criteria for client engagement had also been developed in response to requests from HIE staff, although the importance of area teams having considerable discretion regarding engagement continued to be recognised.

In discussion, the Board endorsed HIE's rejection of a one-size-fits-all approach to client engagement while aiming for greater consistency across the organisation. Staff acknowledged that further steps could be taken in this direction, including ensuring that growth plans, which were developed jointly between HIE and the client, were fully tailored to the needs, ambitions and of each individual organisation and did not become overly bureaucratic. The Chief Executive stressed the importance of client engagement as a means of encouraging and developing new projects.

The emphasis on high impact clients was welcomed. It was also noted that HIE intended to survey clients in the next financial year and obtain feedback that would be used to refine and develop the engagement approach. In response to a comment that the proportion of clients with active plans in place appeared low at 25%, the Director explained that this was expected to change as a number of plans that had been completed were signed off.

The Board thanked the Director for a very comprehensive report on HIE's refreshed approach to client engagement.

### **3.5 Space RESTRICTED**

*Peter Guthrie joined the meeting.*

The Programme Head, Strategic Projects, delivered an update on the growing regional space sector, including recent developments with four planned spaceports – in Shetland, Sutherland, the Outer Hebrides and Argyll – that were central to the UK's goal of becoming a leading commercial space hub in Europe.

The Highlands and Islands was uniquely positioned to play a strategic role in delivering national space ambitions, primarily through spaceport development. With a focus on small satellite launches, the region

aligned well with the UK national space strategy, which aimed to capture 10% of the global space market by 2030.

The UK Space Agency's latest annual review of the size and health of the UK space industry showed that the sector had generated £16.5 billion in annual income in 2023/24 and was growing steadily, with over 47,000 people employed across the UK.. The main drivers of growth were satellite manufacturing, launch services and downstream applications such as telecommunications and Earth observation, while the value of space-related R and D investment totalled over £836m.

The Highlands and Islands enjoyed geographic and infrastructural advantages including proximity to polar and sun-synchronous orbital routes, which were ideal for satellite launches and provided an opportunity to generate significant numbers of high quality jobs and other economic and community benefits. Orbex, based in Forres, and the only space launch vehicle manufacturer in the region, had progressed from employing one person to more than 150 in only five years.

In discussion, Board members stressed the need for HIE to focus on maximising opportunities to create high quality employment in the regional sector, including a broad range of local jobs with the potential to increase population and deliver community benefit around spaceport locations. It was also important to remain as open as possible with affected communities to ensure effective stakeholder engagement.

The Board thanked the Strategic Projects team for the update and continued work to generate positive impacts for the Highlands and Islands from this fast-developing sector.

*Peter Guthrie left the meeting.*

### **3.6 Cairngorm RESTRICTED**

*Audrey McIver and Paul Dzialdowski joined the meeting.*

The Senior Project Lead, Regional Infrastructure, and the Project Manager, Construction, presented an update on matters relating to Cairngorm. *[Sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

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

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

The new interim Chief Executive of CMSL was now in post and the terms of the company's board members had been extended to September 2025. Plans to recruit an additional board member were underway.

On operational matters, recent HIE-approved investments in mountain karting, an enhanced children's play area and day lodge improvements were all proving popular with customers, and CMSL was recruiting seasonal staff for winter. The next meeting of the Cairngorm Advisory Group was due to take place on 4 December and would be hosted by Glenmore Lodge.

Board members noted the update, observing that it would be important for CMSL to focus on marketing the resort as a year-round attraction once the funicular had been returned to service. *[Sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

Board and staff agreed that the main focus at present needed to be on pressing the contractor to conclude remediation works as soon as possible in order for the funicular to return to service in time for the winter

snowsports season. The Chair thanked HIE's Cairngorm team again for their continued efforts to achieve this.

*Audrey McIver and Paul Dzialdowski left the meeting.*

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

### **4.1 Legal services update**

The Head of BIIA provided an update on arrangements for the provision of legal services for HIE, which were delivered and managed by a small team within BIIA. Much of HIE's activity required legal input and this was provided either by the internal resource of two solicitors or through external legal agents, depending on the specialism, risks and resource capacity.

External legal services were currently procured under a framework contract awarded by Scottish Enterprise (SE) in 2020), which was due to expire on 21 December 2024. HIE and South of Scotland Enterprise (SOSE) are able to benefit from this framework. *[Sentences removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

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

In response to a question on key performance indicators, the Director of BIIA confirmed these were in place and supplemented by regular meetings with suppliers and feedback from HIE staff.

The Board noted and endorsed the approach being taken by HIE with regard to legal services.

### **4.2 Financial statement**

The Director of Finance and Corporate Services presented HIE's financial position and forecast at 30 September 2024.

The capital budget currently showed a positive reserve, which was concerning at the halfway point of the financial year, *[part of sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity].* Leadership Team was actively managing this position and reviewing pipeline projects. Area teams and directorates were also working on new approvals, including the Green Grant Fund, which were expected to see HIE's discretionary budget fully committed.

The revenue budget currently had a reserve of £0.55m. *[Sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity].* Overall, however, income was broadly in line with opening targets when shortfalls on rental income and on budgeted profit on property disposals were taken into account.

The Director emphasised that uncertainty remained regarding the extent of revenue support that would be required by CMSL. *[Sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity].* In addition, pressures on the Strategic Projects directorate and the property factoring budget needed to be fully assessed and managed.

In summary, while there was a significant amount of work to be done, it was expected that HIE could achieve a break-even position by the year-end.

The Board noted the financial position and the actions being taken to achieve a balanced year-end budget.

### **4.3 Corporate risk register RESTRICTED**

*James Laraway joined the meeting.*

The Director of BIIA presented HIE's latest Corporate Risk Register, highlighting changes since it was last reviewed by the Board, on 27 August. *[Sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

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

It was noted that a reference in the report to potentially raising the impact of government budget reductions on HIE to a corporate risk was incorrect as this was already classed at corporate level.

The Chair thanked HIE staff for the work that goes into the risk register, which had a great influence on effective decision making.

*James Laraway left the meeting.*

### **4.4 Updated delegated authorities**

The Director of BIIA introduced a paper seeking approval for proposed amendments to HIE's delegated authorities. Following changes that had been made to align fully with the most recent framework agreement between HIE and the Scottish Government, a full review had been carried out and proposals were now being presented to the Board.

It was agreed that a reference to non-salary rewards being able to be approved by the Chief Executive would be amended to include consultation with the Chair of the Board and Chair of the Risk and Assurance Committee. Further guidance would also be sought from the Scottish Government in relation to the role of the Board and Chair in any potential settlement agreements with Chief Executives. In addition, staff-related matters concerning HIE companies, such as recruitment and remuneration in the subsidiaries Wave Energy Scotland and Cairngorm Mountain (Scotland) Ltd should be brought to the HIE Board.

Subject to these changes, the Board approved the revised document, noting that other areas requiring further consideration had been highlighted and would be informed by an audit review that was currently underway. It was also agreed that minor future changes to delegated authorities that fell outwith the normal review cycle, such as changes in roles where the role was equivalent, could be approved by HIE's Leadership Team.

The Board thanked the Director and the Compliance and Risk Manager, who had authored the document, for an excellent piece of work and approved the revised delegated authorities and other recommendations in the report subject to the amendments agreed during discussion.

### **4.5 Approved Risk and Assurance Committee minute, 4 June 2024 RESTRICTED**

The Board noted for information the minute of the Risk and Assurance Committee meeting held on 4 June 2024, which had been approved at the most recent meeting of the Committee.

### **4.6 Risk and Assurance Committee verbal update, 17 September 2024**

Angus Campbell, as Chair of the Risk and Assurance Committee, provided a verbal report on the most recent meeting, held on 17 September 2024.

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

HIE's 2023/24 annual report and accounts timetable was reviewed, along with the draft document, and group company accounts were received for Cairngorm Mountain (Scotland) Ltd, HIE Ventures Ltd, Orkney Research and Innovation Campus LLP, and Wave Energy Scotland Ltd, with no material issues identified.

The draft minute of the meeting will be shared with the full Board for information at its next meeting, on 10 December.

## **5 ITEMS FOR INFORMATION**

### **CUSPAIREAN AIRSON FIOSRACHADH**

#### **5.1 Any other business**

The Chair expressed the Board's gratitude and good wishes to Nick Kenton, who was leaving HIE and attending his final Board meeting. He paid tribute to the Director, whom he had known and worked with for many years, and commended his achievements on behalf of HIE in often challenging financial circumstances. This had included skillful budget management to ensure the needs of businesses and communities had continued to be met during the Covid pandemic.

There was no other business.

#### **5.2 Forthcoming meeting dates**

- Cairngorm Sub-group – 7 November 2024
- Risk and Assurance Committee – 19 November 2024
- Extra HIE Board meeting – Half Year Performance – 25 November 2024
- HIE Board meeting – An Lòchran, Inverness Campus – 10 December 2024

Chris Roberts  
Head of Communications  
29 October 2024