

BOARD MINUTE

20 MARCH 2023

Highlands and Islands Enterprise



BOARD MEETING
COINNEAMH BÙIRD

**MINUTE OF THE HIE BOARD MEETING HELD ON TUESDAY 20 MARCH 2023, STARTING AT 1000
IN AN LÒCHRAN, INVERNESS CAMPUS, AND BY TELECONFERENCE**

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

PRESENT (ONLINE) Angus Campbell
 Paddy Crerar
 Donald MacRae
 Keith Nicholson
 Belinda Oldfield
 Freda Newton
 Calum Ross

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
David Oxley	Director of Strategic Projects
Chris Roberts	Head of Communications
David Howie	Head of Strategic Projects
James Gibbs	Area Manager, Inner Moray Firth, item 4
Gavin MacKay	Head of Energy Industries, item 4

IN ATTENDANCE (ONLINE)

Douglas Cowan	Director of Communities and Place
Rachel Hunter	Director of Service Delivery
Karen Moncrieff	Director of Human Resources
Andrew Carton	Team Leader, Enterprise Sponsorship, Scottish Government
Peter Guthrie	Senior Project Manager, item 3
Marie Mackintosh	Subsidy Control Manager, item 4

STANDING ITEMS

CUSPAIREAN COTHROMACH

1 Welcome and apologies

The Chair welcomed everyone to this additional meeting and thanked them for their attendance. Apologies had been received from Ailsa Raeburn, Amanda Bryan and Carroll Buxton.

2 Declarations of interest

It was noted that Amanda Bryan and Ailsa Raeburn had declared an interest in item 4 due to their involvement with Crown Estate Scotland. These Board members were not present at today's meeting and had not been given access to the paper for item 4.

INVESTMENT DECISIONS CO-DHÙNAIDHEAN AIRGEAD-TASGAIDH

3 Space Hub Sutherland

David Howie and Peter Guthrie joined the meeting.

The Director of Strategic Projects presented a detailed appraisal paper, observing that a full business case (FBC) for satellite launch site Space Hub Sutherland had been approved by the Board, subject to conditions, on 1 March 2022, and a detailed update delivered at the most recent Board meeting, on 28 February 2023. *[Sentence removed due to commercial sensitivity].*

The Board noted several specific points on which progress had been made since March 2022, including:

- Orbex had successfully raised £40.4m in Series C funding;
- HIE had signed a lease for land on the A' Mhoine peninsula with Melness Crofters Estate, and a sub-lease with Orbex subsidiary Forres NewCo;
- *[Sentence removed due to commercial sensitivity].*
- HIE had been advised that the Nuclear Decommissioning Authority (NDA) had approved grant funding of up to £3m (subject to subsidy compliance and confirmation by NDA's Director of Socio Economics);
- *[Sentence removed due to commercial sensitivity].*

[Sentence removed due to commercial sensitivity].

[Paragraph removed due to commercial sensitivity].

[Paragraph removed due to commercial sensitivity].

The expected economic impact from the spaceport, launch vehicle manufacturing and downstream activity had reduced very slightly in the latest FBC (from £993.8m GVA forecast in March 2022 to £987.7m now), but still represented a near £1 billion opportunity for the Highlands and Islands over the next 25 years.

[Paragraph removed due to commercial sensitivity].

[Paragraph removed due to commercial sensitivity].

The Director confirmed that the NDA had approved its contribution of £3m to the SHS programme, subject to HIE agreeing to its standard terms and conditions. A letter would now be sent to the NDA, outlining HIE's understanding of how these terms and conditions will be interpreted for the spaceport project. It was expected that this correspondence would give HIE's Chief Executive confidence to sign a legal agreement with the NDA. If this was not the outcome, however, the matter would be brought back to the Board. He also confirmed that HIE had received £1.9m grant funding for the spaceport from the Scottish Government.

[Paragraph removed due to commercial sensitivity].

The Head of Strategic Projects also confirmed that, while a number of risks would now transfer from HIE to Orbex, they remained risks for the project and HIE would continue to monitor them and update the Risk and Assurance Committee and the full Board as appropriate.

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

Authority was delegated to the HIE Chief Executive to confirm to the Board that the following conditions had been satisfied:

- *[Sentence removed due to commercial sensitivity].*
- *[Sentence removed due to commercial sensitivity].*
- HIE signing the grant offer from the Nuclear Decommissioning Authority of grant support of £3m.

The Chair thanked HIE staff and Board members for their input over several years to a project that was expected to deliver significant benefits to Sutherland and the wider Highlands and Islands.

Peter Guthrie left the meeting.

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

Chris Roberts
20 March 2023