

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

**MINUTE OF THE HIE BOARD MEETING HELD ON TUESDAY 30 AUGUST 2022, STARTING AT 0945  
IN AN LÒCHRAN, INVERNESS CAMPUS, AND BY TELECONFERENCE**

**PRESENT (INVERNESS):** Alistair Dodds (*Chair*)  
Stuart Black (*Chief Executive*)  
Angus Campbell  
Paddy Crerar  
Freda Newton  
Belinda Oldfield  
Ailsa Raeburn  
Calum Ross  
Anna Salgado

**PRESENT (ONLINE):** Donald MacRae  
Keith Nicholson

**IN ATTENDANCE (INVERNESS):**

Carroll Buxton	Deputy Chief Executive
Douglas Cowan	Director of Communities and Place
Sandra Dunbar	Director of Business Improvement and Internal Audit
Rachel Hunter	Director of Service Delivery
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
Graeme Adair	Construction Frameworks Manager, items 3.1, 3.2
Greg Youngson	Property Development Manager, items 3.3, 3.4, 3.5
Andrew Whitehouse	Facilities Manager, item 3.5
Catherine MacNeil	Senior Research Manager, items 3.6, 6.1
Elaine Hanton	Project Lead, Cairngorm, item 4.1
Dave Macleod	Head of Property and Infrastructure, item 4.1
Charlie Lawrence	Property Manager, Major Projects, item 4.3
Ivan McKee MSP	Minister for Business, Trade, Tourism and Enterprise, item 5.1
Andrew Carton	Sponsorship Team Leader, Scottish Government, item 5.1

**IN ATTENDANCE (ONLINE):**

Jessie Laurie	Head of Enterprise Sponsorship, Scottish Government
Lorna Gregson-MacLeod	Head of Planning and Partnerships, items 3.6, 5.1
Graeme Harrison	Area Manager, Orkney, item 3.7
Harvey Stevenson	Head of Strategic Projects, Orkney, item 3.7
Joanna Peteranna	Area Manager, Innse Gall, item 4.3
Neil Ross	Head of Community Growth, item 6.2a
Mairi Buchanan	Senior Development Manager, Innse Gall, item 6.2a
Sandra Holmes	Head of Community Assets, item 6.2b

### **1.1 Welcome and apologies**

The Chair welcomed everyone to the meeting and apologised for the start having been delayed by a few minutes while the preceding business breakfast with stakeholders was concluded. The breakfast meeting had been well attended, with participants raising a range of important issues and questions. These had been noted and would be followed up.

It was agreed that a note of the breakfast meeting would be circulated to Board members, along with notes from previous Board engagement sessions held with stakeholders in Moray and Orkney.

Apologies had been received from Amanda Bryan.

### **1.2 Declaration of interest**

Ailsa Raeburn declared an interest in item 3.6, *Research Framework*, and it was agreed that she would leave the meeting when that item was taken.

### **1.3 Draft minute of Board meeting held on 28 June 2022**

The minute was approved, with a correction to one item that had been misnumbered, and item 4.3, *Tourism*, revised to reflect better the range of points discussed during the meeting. It was agreed that the Chair would sign off the revised minute.

#### **1.3.1 Draft minute of extra Board meeting held on 24 August 2022**

The minute was approved subject to one factual clarification and an edit to address repetition.

### **1.4 Matters arising from the minutes and action grid**

The Head of Enterprise Sponsorship, Scottish Government, reported that both the Cabinet Secretary for Finance and the Economy and the Minister for Business, Trade, Tourism and Enterprise had found their recent engagement sessions with HIE to be positive and productive.

It was noted that Robbie McGhee, Scottish Government Deputy Director, Digital Connectivity, was expected to attend the meeting of the HIE Board in October, when the Board would discuss the use of Growth Deal funding to extend and improve broadband coverage. The Board observed that the Government's R100 broadband initiative had recently received negative media coverage.

The Chief Executive confirmed that Orbex continued to be regarded as a global account, despite being headquartered in Forres, for the technical reason that most of its investment came from overseas. However, this position was expected to change soon, at which point Orbex would be classed as a Scottish company.

*[Sentence removed due to commercial sensitivity].*

*[Sentence removed due to commercial sensitivity].*

All other matters arising were covered in the meeting agenda.

## 1.5 Chair and Chief Executive's update – August 2022

Verbal updates were provided on a range of matters, as noted below:

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

### Green freeports

The Director of Strategic Projects advised that a decision on Scottish green freeports was thought likely to be announced by the UK and Scottish Governments in the second half of September. HIE was supporting bids from Port of Cromarty Firth and Orkney. The Board expressed hope for a positive outcome and emphasised the importance of HIE working to ensure that both direct and indirect benefits from a successful bid are captured fully.

### Energy costs

The Director of Service Delivery reported that HIE was working in partnership with government and other agencies across Scotland to respond to the impact on businesses of rising energy costs. Actions included posting and promoting information on efficiency measures and available support on the Find Business Support portal, and the Director of Energy Transition and Net Zero was contributing to the Scottish Government Energy sub-group. HIE was also developing actions that the agency could deliver at its own hand. While there was no new funding available to help businesses offset costs, existing products and services would be repurposed, and staff were working with Business Energy Scotland for wraparound support.

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

*[sentence removed due to commercial sensitivity].*

### Human resources

The Director of Human Resources highlighted the aim of HIE's workforce plan to attract more young people into the organisation. Current vacancies included nine graduate posts and four modern apprentices. HIE was pleased with the response to these opportunities and interviews were due to take place this week. It was also noted that discussions were ongoing with the Scottish Government in relation to HIE's pay award. In informal discussion, the union had been supportive of HIE's intention to seek a multi-year award, although details were still to be shared.

The Chair asked if a date had been identified for a meeting of the Remuneration Committee and the director agreed to arrange this.

### HIE annual report and accounts

The Director of Finance and Corporate Services confirmed that HIE's draft 2021/22 annual report and accounts had been delivered to Audit Scotland, albeit a day behind schedule. No major comments had been received to date. In discussion, the Director confirmed that Audit Scotland's timeline to finalise the accounts for signoff and laying in parliament by the end of December 2022 was congruent with the statutory deadline for publication.

### National Strategy for Economic Transformation delivery

The Director of Strategy and Regional Economy reported that HIE staff were working with the Scottish Government on delivery plans for the National Strategy for Economic Transformation (NSET). The Board stressed the importance of ensuring that delivery of NSET benefits the whole of Scotland, including all parts of the Highlands and Islands. Members welcomed an assurance that the Regional Economic Partnership would have an opportunity to review and comment on delivery plans.

HIE's next 5-year strategy was currently in development. It was agreed that two Board sessions would be arranged to provide opportunities for discussion and input, and the Strategy sub-group reformed, with all Board members welcome to join meetings. In discussion, the Chief Executive expressed optimism that HIE's strategy and approach were well aligned with NSET and the emerging delivery plans, which were currently high level, left scope for HIE to inform actions.

### **Staff conference**

HIE would hold an all-staff conference on 9 November, focusing on themes of collaboration and continuous improvement. Invitations would be sent to Board members who were welcome to attend.

### **Chair's update**

The Chair and Chief Executive had met senior Scottish Government officials to discuss HIE's budget and the Chair had exchanged letters with the Deputy First Minister on the revenue budget in particular. These letters would be circulated to the Board for information.

The co-chair of the NSET Delivery Board, Barry White, had met the Chair and Chief Executive at Inverness Campus and visited key locations in the Inner Moray Firth area including Nigg and Inverness Castle.

A virtual Board engagement session had been held with stakeholders in Orkney and the Chair thanked Belinda Oldfield and Angus Campbell for their participation. This had been a helpful session, with the audience raising issues including skills, infrastructure, transport and public investment.

The Chair had also held productive meetings with the new Leaders of Moray Council and The Highland Council and had attended a meeting as co-Chair of the Cairngorm Advisory Group. Cairngorm would be discussed in detail later in the meeting.

Board member appraisal meetings had been held. Meetings had also been held with the three newest members, who joined in June 2022.

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

### **2.1 Financial statement to 31 July 2022**

The Director of Finance and Corporate Services delivered a report and presentation summarising the financial position for the four months of the financial year to 31 July 2022. The presentation included a verbal update on the Scottish Government Resource Spending Review.

There was a need to increase commitment in the capital budget, where spend was currently 11.1% behind straight line (at 22.3% of budget) and negative reserve £2.88m, which was considered too low. The Scottish Government had confirmed up to £7m additional funding towards the increased costs of reinstating the Cairngorm funicular railway, which had a budget pressure of £8m. HIE continued to assume that Space Hub Sutherland would be fully funded by the Scottish Government, from milestone income from the UK Space Agency and a contribution from the Nuclear Decommissioning Authority.

The revenue budget was 6.5% behind straight line (27% of budget), with a negative reserve of zero, meaning the budget was balanced and fully committed. However, there was uncertainty around the potential costs of repair works required at Machrihanish, a likely 2% clawback from Scottish Government, the outcomes of EU funding claims and a historic VAT issue which had been discussed in detail at previous Board meetings and was now at final review stage.

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

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

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

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

In closing, the Chair noted the Scottish Government's agreement to provide additional funding for the Cairngorm funicular reinstatement and thanked the Head of Enterprise Sponsorship for this positive outcome.

## **2.2 Performance update**

The Director of Strategy and Regional Economy provided an update of HIE performance against key measures for the period April to July 2022.

Outcomes achieved at this point in the year showed HIE was on track to meet targets for increase in business turnover and international sales, as well as for capital asset investment and average wage of jobs supported. However, the Board noted that substantial change was required to meet the target level of increase in turnover in the social economy. Work was also required to increase performance against measures for full-time equivalent employment (FTE) supported in fragile areas. Although recorded figures appeared to show that HIE's progress in attracting external investment was behind profile at present, it was possible that this area of activity was currently under-reported on the MyHIE system.

The Board welcomed the update and questioned whether performance measures should be reviewed, both in light of figures obtained to date and prevailing economic conditions. It was agreed that the current measures should remain in place, with the Chief Executive providing assurance that areas which were not on track at present were being addressed, and performance reviewed regularly throughout the year. It was also noted that the Board would have further opportunity to consider performance measures during the upcoming strategy sessions and through the Strategy sub-group.

## **2.3 Risk register**

The Director of Business Improvement and Internal Audit (BIIA) presented the latest version of the HIE corporate risk register, noting that the agency's risk appetite statements were also undergoing their annual refresh.

Points that were highlighted included the creation of a specific risk register for cyber security and systems, highlighting the importance of this topic, which would continue to be covered in the corporate risk register as well. Other key areas of focus that had been reviewed included risks presented by macro-economic conditions and regional housing, digital and transport infrastructure.

The Board welcomed the update.

# **3 INVESTMENT DECISIONS**

## **CO-DHÙNAIDHEAN AIRGEAD-TASGAIDH**

### **3.1 Small business units – Wick Business Pak**

*Graeme Adair joined the meeting.*

The Construction Frameworks Manager presented a paper requesting approval of £2.7m top-sliced funding towards the construction of infrastructure and four industrial units at Wick Business Park, Caithness. The proposal reflected strong local demand, partly driven by ScotWind, and was part of a wider programme to develop small business units in five rural locations, with the others being Broadford, Benbecula, Sandbank (Dunoon) and Golspie.

In response to a question on the technical requirements of the renewable energy sector, the manager explained that the units would be flexible, designed to accommodate a range of users and able to be adapted as required to their needs. It was noted that although ScotWind is significant, there was already existing demand and currently very few units available in the Wick area.

The Board approved the request.

### **3.2 Plot 14 Inverness Campus infrastructure**

The Construction Frameworks Manager presented a paper seeking Board approval of HIE cash funding totalling £2,933,289 to progress the detailed design of infrastructure on Plot 14 Inverness Campus through a procurement process, and to award a contract. This would develop roads and utilities to provide around eight semi-serviced plots that could then be marketed to individual developers, who would purchase and develop their own buildings, creating a mini-village on the south side of Inverness Campus. Plot 14 could also be considered as a test site for innovative construction methods, including off-site and modular construction techniques.

The Board questioned the need for HIE investment in this infrastructure, given the relative strength of the commercial property market in Inverness. It was explained that Plot 14 is currently a greenfield site and the proposed investment would create roads and site servicing to make it appealing to private investors. Sale of serviced land would also generate income for HIE investment in the region. Staff acknowledged that there was a risk of failing to attract developers, but believed the approach stood a strong chance of success in this location.

Members noted that some debris, acquired when HIE purchased the site of Inverness Campus required to be disposed of and that this included some low-level hazardous waste such as asbestos roofing. It was agreed that the hazardous waste would be separated from the rest of the debris before disposal at a registered landfill site to minimise cost.

The Board approved the request, with funding to be top-sliced.

*Graeme Adair left the meeting.*

### **3.3 Inverness Campus – sale of plot 14b**

*Greg Youngson joined the meeting.*

The Property Development Manager sought Board approval for the sale of 0.2 acres of Plot 14b at Inverness Campus to Scottish Vet Referrals (SVF) which had been present on Inverness Campus since 2016 and had grown steadily. Sale of this land would support further growth, including an expected staffing increase of seven full-time equivalent posts, and the company's proposals were strongly aligned with the Campus development strategy.

Following discussion, the Board agreed that HIE would seek £60,000 for the sale of this part of plot 14b, which was in line with the target land value for phase one of Inverness Campus.

*[Paragraph removed due to commercial sensitivity]*

The Board approved both transactions.

### **3.4 Inverness Campus – lease to the Highland Council**

The Board approved two requests from The Highland Council, relating to land at Inverness Campus. These were for a 10-year lease over four car parking spaces at the campus visitor car park and a 99-year lease over land next to Plot 14 for an active travel path. Both investments would improve Campus infrastructure.

In granting approval, the Board noted the risk of a 'ransom strip' being created by the active travel path and it was agreed that appropriate wording would be factored into the lease agreement.

### **3.5 Inverness Campus facilities management**

*Andrew Whitehouse joined the meeting*

The Facilities Manager presented a review of facilities management across Inverness Campus and other sites within the wider HIE estate, along with an options appraisal for future service delivery. *[Sentence removed due to commercial sensitivity]*.

Other properties included in the tender were HIE-leased and occupied premises in Auchtertyre, Benbecula, Forres, Kirkwall, Lochgilphead, Portree and Thurso. Services to be procured varied from one building to another, but ranged from cleaning, reception and security to catering, waste management, maintenance, repairs and landscaping.

Issues raised by Board members included the need for security arrangements including CCTV to ensure GDPR compliance. While a framework approach was being proposed, in line with a recommendation from HIE's Procurement team, the Board expressed a desire for HIE to use local contractors and sub-contractors to provide services when possible. It was also noted that these services were currently provided by external contractors and there would be no displacement of HIE staff as a result of the new framework.

The Board approved the request to grant delegated authority for HIE staff to proceed with scoping the services outlined in the paper. *[Sentence removed due to commercial sensitivity]*. As discussed, opportunities to use local contractors should be pursued where possible.

*Greg Youngson and Andrew Whitehouse left the meeting*

### **3.6 Research appraisal, evaluation and delivery frameworks 2022-26**

*Ailsa Raeburn left the meeting.*

*Lorna Gregson-MacLeod and Catherine MacNeil joined the meeting.*

The Director of Strategy and Regional Economy introduced a paper describing the outcome of a procurement process for HIE's Research, Appraisal, Evaluation and Delivery call-off framework and seeking delegated authority to make an award. The new framework would replace an existing one, providing external support for strategic and operational planning, business case development and benefits realisation work for more complex projects, including growth deals.

Following procurement in spring and summer 2022, preferred suppliers had been identified and HIE was now looking to award the framework for three years (with the option to extend by a further year) from 26 September 2022. It was anticipated that the total value of the framework would be up to £6.19m gross (£5.16 net of VAT), and divided into three lots, with lot 3, *Research*, delivered as a collaborative arrangement with South of Scotland Enterprise (SOSE). As the framework would be a call-off arrangement, the actual spend would depend on demand and availability of resources.

In discussion, the Board noted that HIE's Planning and Partnerships team undertook economic impact assessments in-house. The framework was designed to provide additional resource and expertise, including an independent view when required, particularly for more complex or sensitive projects. The regular Business Panel survey was a good example of extremely valuable research of a scale that required external input.

It was clarified that an assessment of reputational risk related to suppliers wanting to be assured that contracts would be awarded under the call-off framework, and it was therefore worth their while bidding. The Board highlighted a risk of unscrupulous companies joining a framework as a means to block competitors and it was explained that this framework included a KPI to ensure potential suppliers would submit bids to at least one opportunity in three. In response to a question on VAT, the Director of Finance and Corporate

Services agreed to verify a statement in the paper that the framework was classed as ‘non-business’ so VAT would not be recoverable.

The Board approved the request to provide delegated authority to award the framework to the preferred bidders for a four year period (three plus one) from 26 September 2022.

*Lorna Gregson-MacLeod and Catherine MacNeil left the meeting.*

### **3.7 Orkney Research and Innovation Campus – detailed design costs and essential external works**

*Ailsa Raeburn rejoined the meeting.*

*Graeme Harrison and Harvey Stevenson joined the meeting.*

The Orkney area team presented a paper seeking Board approval of HIE funding of £850,000, being 50% of the estimated project costs of £1,700,000, to the Orkney Research and Innovation Campus LLP (ORIC) towards detailed design works associated with Phase 2 Islands Growth Deal proposals. These proposals represented a £13.7m expansion and development of the ORIC facilities, with £8m anticipated from the UK Government.

ORIC was also proposing to undertake essential external improvements to the windows and stonework of Block 1 at the Charles Clouston Building at a cost of £1,120,000 in advance of the main Islands Deal construction phase. HIE funding of £560,000 for these works had been approved by Leadership Team.

In discussion, it was noted that the official opening of ORIC was planned for 23 September and that it had been chosen as host venue for the inaugural meeting of the UK Islands Forum, due to take place in October.

The Board welcomed the progress made by ORIC to date, noting that a further request, to fund the construction phase, was expected to be submitted for Board consideration in 2023/24. The request for £850,000 towards design costs was approved, with funding to be top-sliced, and Leadership Team approval of £560,000 funding for essential improvements to the Charles Clouston Building was endorsed.

*Graeme Harrison and Harvey Stevenson left the meeting.*

## **4 UPDATES** **CUNNTASAN AS ÙR**

### **4.1 Cairngorm**

*Elaine Hanton and Dave Macleod joined the meeting.*

The Board welcomed an update on a range of matters concerning Cairngorm Mountain. These included the current funicular reinstatement project, mountain biking, car park improvements, a feasibility study for geothermal energy, and consultation on visitor management through the Section 50 Agreement, as proposed in the Cairngorm Masterplan.

Operating company CMSL, a subsidiary of HIE, would publish its annual accounts in September. The company had recently appointed a new marketing manager, commercial manager, and electrician and was preparing to recruit front-of-house staff and train drivers in preparation for the funicular coming back into service early in 2023. The renovation of the Ptarmigan building was nearing completion.

The Cairngorm Advisory Group of stakeholders had met in person at Cairngorm during August, with members expressing strong support for the masterplan. The next meeting would take place in December.

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

In discussion, members commented on HIE's key performance indicators (KPIs) with CMSL, asking for these to be strengthened with firmer numerical targets. It would also be beneficial to understand CMSL's plans to operate the business once the funicular service is reinstated and this could be included in the sub-group agenda. Keith Nicholson informed HIE staff that he had experience as a professor of geothermal engineering and would be pleased to look over the feasibility study once it was ready.

The need for the Board of the Cairngorms National Park Authority to have a full understanding of the purpose and contents of the Cairngorm Masterplan as a framework for future planning applications was stressed. The Chair and Chief Executive of HIE had a meeting planned with their counterparts at CNPA to take this forward.

In closing, the Chair thanked staff of HIE and CMSL who had arranged for members to visit Cairngorm Mountain the previous day. This had been well organised and highly informative for all those who took part. The Chair also reminded the Board that all members were welcome to attend sub-group meetings.

*Elaine Hanton and Dave Macleod left the meeting.*

## **4.2 Space**

The Director of Strategic Projects provided an update on current activity to develop the Space sector in the Highlands and Islands, with a particular focus on Space Hub Sutherland.

HIE's launch partner for Sutherland, Orbex, was making good progress with its current 'Series C' fund-raising round and was expected to achieve around £40m of investment, including £17.8m from the Scottish National Investment Bank, which would support both manufacturing in Forres and launch from Sutherland. HIE was also confident of concluding a head lease for the site with Melness Crofters Estate and a sub-lease with Orbex subsidiary Forres NewCo. *[Sentence removed in the interests of the effective conduct of public affairs].*

The HIE Chief Executive was due to visit SaxaVord Spaceport in Shetland later this week. The site, on Unst, expects to achieve first launch early in 2023. Within the wider UK sector, horizontal launch site Spaceport Cornwall was currently expected to achieve launch in October 2022.

In discussion, the Board noted that the indicative funding package for Spaceport 1 in the Outer Hebrides, which planned to deliver sub-orbital launches, had no investment identified from the private sector. Regarding Space Hub Sutherland, it would be important to have certainty on the NDA's funding position as early as possible.

The Board welcomed the update.

## **4.3 Arnish**

*Charlie Lawrence and Joanna Peteranna joined the meeting.*

The Director of Strategic Projects; Area Manager, Innse Gall; and Property Manager, Major Projects, presented a paper setting out key issues to be considered with regard to Arnish Industrial Estate, Lewis, which is leased by HIE from the Stornoway Trust, and seeking Board feedback for HIE's Arnish Working Group. The issues were: a strategy for Arnish, including the head lease; HIE's position on the proposed Western Isles Interconnector, and prioritising demand for serviced industrial land on the 119-acre site.

*[Paragraph removed due to commercial sensitivity].*

The Chair thanked the presenters and emphasised the need for the working group to move at pace to address these issues, as the Board could not be expected to make decisions on Arnish without a masterplan in place for the site and the wider area. He also affirmed the Board's support for the islands interconnector and for

this to be delivered as quickly as possible, noting that the issues for discussion were the size and location of the station, and not the principle.

*[Paragraph removed due to commercial sensitivity].*

The Director of Strategic Projects confirmed that a masterplan was currently in preparation, linking the future of Arnish with plans for Stornoway Port and other opportunities, and this would be brought back to the Board. He suggested setting up a Board sub-group on Arnish and this was agreed.

The Chief Executive highlighted the scale of opportunity presented by ScotWind and other projects, noting the need for HIE to work with relevant island and mainland local authorities to maximise benefits realisation through a ports strategy focusing on the west coast.

Summing up, the Chair called for the initial meeting of the new sub-group to be arranged as soon as possible so that matters could move forward quickly in order to capitalise effectively on the present level of opportunity. The agenda should include information on the amount of investment that was expected to be required for Arnish to realise its potential, noting that this would inform any application for additional funding that HIE might make to the Scottish Government. As with other sub-groups, all Board members would be invited to attend.

*Charlie Lawrence and Joanna Peteranna left the meeting.*

## 5 STRATEGIC DISCUSSION CUSPAIREAN AIRSON FIOSRACHADH

*Ivan McKee MSP, Minister for Business, Trade, Tourism and Enterprise, and Andrew Carton joined the meeting.*

### **Discussion with Mr McKee**

The Chair welcome the Minister to the Board meeting and began the session by emphasising the current volume of high quality opportunities to strengthen and grow the regional economy, even in the face of serious challenges arising from issues including Covid, Brexit and the rising cost of living.

The majority of these opportunities were well aligned with the 10-year National Strategy for Economic Growth and included development prospects in the green and blue economies, life sciences and space as well as traditional sectors such as food and drink, creative industries and tourism. It was important that HIE obtain a good funding settlement from the Scottish Government to capitalise on these opportunities and maximise the region's contribution to NSET delivery, while ensuring that HIE itself pursues and achieves greater efficiency year-on-year.

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

The Director of Strategy and Regional Economy then delivered a short presentation providing a strategic overview of HIE and the region, covering the agency's role and responsibilities, challenges of geography and population, economic characteristics affecting businesses and communities, and key opportunities currently being developed and pursued by HIE. The presentation also outlined findings from HIE research including the regular business panel survey and a recent survey, *My Life in the Highlands and Islands* (see item 6.1 below)

The Minister thanked the Chair and Director for setting the scene, acknowledging the challenges of the national fiscal environment in which HIE operates, and highlighting the importance of innovation in growing traditional economic sectors as well as newer industries. He agreed with HIE's approach to continuous improvement through efficiency gains and welcomed the agency's willingness to work as closely as possible with government to deliver new initiatives.

Discussion led off with consideration of the impacts of the rising cost of living on businesses, communities and families across Scotland and measures that government and agencies can work together to implement. Board members argued that HIE had an excellent record of delivering growth through investment which in turn led to increased tax revenues and urged the government to take this into account when setting the agency's future budget. It was important that NSET delivery was designed to reach into every part of the country, including remote rural areas and islands, and that investment was made in key infrastructure, including housing, digital and transport, which are essential to build a strong economy, attract investment and grow population.

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

The Chair thanked the Minister for his participation in the meeting, and for the recent confirmation of additional Scottish Government funding to support the reinstatement of the Cairngorm funicular. The Minister was invited to visit Cairngorm to see for himself the nature and scale of current project and its impact on the local economy.

## **6 ITEMS FOR INFORMATION** **CUSPAIREAN AIRSON FIOSRACHADH**

### **6.1 My life in the Highlands and Islands**

*Catherine MacNeil joined the meeting.*

The Senior Research Manager outlined key findings from a new survey, *My Life in the Highlands and Islands*, which had gathered information from 5,300 residents across the region. The research had explored attitudes, aspirations and views on opportunities and barriers in relation to post-Covid economic recovery and just transition to net zero. Summary reports for local areas were currently being finalised.

The Board welcomed the wealth of data presented in the survey, which would be invaluable in shaping HIE's future strategy and informing government policy and decision-making.

*Catherine MacNeil left the meeting.*

### **6.2 HIE responses to consultations**

#### **6.2a HIE response to the national Gaelic plan 2023-28 consultation**

*Neil Ross and Mairi Buchanan joined the meeting.*

The Board noted HIE's response to consultation on the National Gaelic Plan 2023-28 prepared by Bòrd na Gàidhlig. HIE had aimed to be constructive in its response, while expressing a desire for the plan to be more progressive to make a fundamental difference to Gaelic in Scotland, including alignment with the National Strategy for Economic Transformation. Recommendations had also been put forward for communications to drive inclusion and accessibility around Gaelic.

The Board endorsed the approach being taken by staff, noting that Bòrd na Gàidhlig was now preparing a further draft and had indicated that HIE was welcome to provide verbal feedback.

*Neil Ross and Mairi Buchanan left the meeting.*

#### **6.2b Land reform in a net zero nation – a briefing on the consultation for a new land reform bill**

*Sandra Holmes joined the meeting.*

The Head of Community Assets presented a paper to inform the Board of Scottish Government policy and proposals to inform a new Land Reform Bill, building on the Acts of 2003 and 2016. Guided by recommendations from the Scottish Land Commission, the Bill was seeking to address the impact of scale

and concentration of land ownership in Scotland, and respond to challenges emerging from growth in natural capital markets and more off-market sales.

Overall, HIE was supportive although there were some areas where the measures could be more impactful. It was intended that HIE's response would focus on strengthening measures that seek to deliver outcomes relating to community ownership, just transition to net zero, and community wealth building.

The Chair had received comments from Amanda Bryan, who was unable to attend today's meeting. These highlighted issues including aggregation of ownership and how the public interest test should be applied. Ailsa Raeburn also offered to contribute to developing HIE's response. It was agreed that the Head of Community Assets would arrange a virtual meeting to discuss the response with these Board members and any others who wished to contribute.

*Sandra Holmes left the meeting.*

### **6.3 Any other business**

There was no other business. The Chair thanked everyone for their contributions.

### **6.4 Forthcoming meeting dates**

The Risk and Assurance Committee will meet in Inverness on 20 September 2022.

The HIE Board will meet in Shetland on 25 October 2022.

Chris Roberts  
30 August 2022