

BUILDING OUR FUTURE

Operating Plan 2015-2018



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

CONTENTS

Highlands and Islands Enterprise (HIE) is an ambitious organisation with a unique remit which integrates economic and community development. We work in a diverse region which extends from Shetland to Argyll, and from the Outer Hebrides to Moray, covering more than half of Scotland's land mass.

As a Scottish Government agency, HIE's role is to lead regional growth and development in line with Scotland's Economic Strategy (SES), improving competitiveness and helping build a fairer society.



FOREWORD	03
INTRODUCTION	04
PRIORITIES FOR SUSTAINABLE ECONOMIC GROWTH	
- Supporting businesses and social enterprises to shape and realise their growth aspirations	05
- Strengthening communities and fragile areas	08
- Developing growth sectors, particularly distinctive regional opportunities	11
- Creating the conditions for a competitive and low-carbon region	15
MEASURING OUR IMPACT	19
ANNUAL MEASURES AND BUDGET	20
DELIVERING BEST VALUE	22

FOREWORD / FACAL-TOISICH

In 1965 the government of the day established a unique organisation to halt and reverse economic decline in the Highlands and Islands.

Ann an 1965 chuir an riaghaltas air bhonn buidheann air leth airson stad a chuir air lùghdachadh an eaconamaidh anns a' Ghàidhealtachd is na h-Eileanan.



Professor Lorne Crerar, Chairman

As we mark the 50th anniversary of Highlands and Islands Enterprise and our predecessor, the Highlands and Islands Development Board, our region today is a vastly different place. Our economy and society have been transformed, population is growing and key economic indicators continue to show the Highlands and Islands performing ahead of national figures.

An important contributor to the region's improved fortunes has been our consistent approach to integrating economic and community development, allied to bold decisions and investments and an outlook which both addresses short term challenges and seizes longer term opportunities. While the world today is a very different place to 1965, these principles continue to serve HIE well.



Alex Paterson, Chief Executive

The four priorities we set out in this plan shape our activities in line with Scotland's Economic Strategy. We will help build successful businesses, social enterprises and resilient communities; support the growth of industry sectors, and invest in the strategic interventions which create the conditions for a competitive region. We will increase our efforts in areas such as innovation and internationalisation, while at the same time addressing inequalities and promoting inclusive growth.

We are ambitious for every part of our region, and for HIE as an organisation. We want to practise what we preach. That's why we are committed not only to transforming the region's digital connectivity through our biggest ever investment, but also to using it to enhance our services. In addition, as an accredited Investor in Young People, we are committed to shaping a region for young people and, as a significant employer, to paying all staff at or above the living wage.

It may be 50 years since it all began, and much has been achieved, by ourselves and our partners. However the job is never done. As the title of this document suggests, our focus now is on "Building our Future".

Fhad 's a tha sinn a' comharrachadh 50 bliadhna de dh' lomair na Gàidhealtachd 's nan Eilean, tha sinn beò ann an sgìre a tha gu math eadar-dhealaichte ri mar a bha. Tha atharrachadh air tighinn air ar n-eaconamaidh agus ar comann-shòisealta, tha an àireamh-sluaigh a' fàs, agus tha prìomh nochdaidhean eaconamach a' sealltainn gu bheil an roinn a' leantainn le bhith air thoiseach air figearan nàiseanta.

'S e aon de na rudan cudromach a tha a' cur ris a' phiseach a tha a' tighinn air ar sgìre an dòigh-obrach seasmhach a th' againn a thaobh a bhith ag amalachadh leasachadh eaconamach is coimhearsnachd, còmhla ri co-dhùnaidhean is cur an seilbh làidir agus lèirsinn a tha an dà chuid a' dèiligeadh ri dùbhlain gearr-ùine agus a' glacadh chothroman fad-ùine. Ged a tha saoghal an latha an-diugh gu math eadar-dhealaichte bho 1965, tha na prìonnsabalan sin fhathast feumail do HIE.

Tha na ceithir prìomhachasan sa phlana seo a' toirt cumadh air ar gnìomhan co-cheangailte ri Ro-innleachd Eaconamach na h-Alba. Cuidichidh sinn le bhith a' togail ghnòthachasan soirbheachail, iomairtean sòisealta is choimhearsnachdan tapaidh; cuiridh sinn taic ri fàs ann an raointean gnìomhachais, agus cuiridh sinn airgead a dh'ionnsaigh eadraingn ro-innleachdach a chruthaicheas àrainneachd airson sgìre farpaiseach. Neartaichidh sinn ar spàirn ann an raointean leithid ùr-ghnàthachas agus eadar-nàiseantachd, dèiligidh sinn ri neo-ionnannachd agus cuiridh sinn air adhart fàs a ghabhas a-steach nan uile.

Tha dealas againn chan ann a-mhàin a thaobh a bhith ag atharrachadh ceangal digiteach na sgìre tron chur an seilbh as motha riamh, ach cuideachd airson a chleachdadh airson na seirbheisean againn a mheudachadh. Cuideachd, tha dealas againn a thaobh a bhith a' toirt cumadh air an sgìre airson an òigridh. Ged a tha 50 bliadhna bho thòisich cùisean, chaidh mòran a choileanadh agus tha ar fòcas a-nis air "Togail Àm ri Teachd Dhuinn".

INTRODUCTION

The Highlands and Islands of Scotland is a spectacular and diverse region, covering more than half of the country including over 90 inhabited islands. It enjoys a rich history and culture, a healthy economy, a growing population, expanding workforce, and is benefitting from unprecedented investment.

Recent years have seen the creation of the University of the Highlands and Islands, massive investment in digital infrastructure and the development of world class centres of excellence such as the European Marine Energy Centre in Orkney.

Tourism remains a vital component of the region's economy and our food and drink products, including many well-known brands, enjoy global success. Other industries are growing here too including finance and business services, creative industries, life sciences and energy, in turn making a significant contribution to Scotland's success in these sectors. Across the region community led development and ownership of assets are bringing new opportunities to some of the most remote areas and social enterprises drive growth and social impacts as part of a diverse and strong social economy.

This three year operating plan describes HIE's purpose, vision and priorities and sets out the actions which we will take to build our region's future. It also illustrates how the strands of SES – innovation, internationalisation, inclusive growth and investment are woven through all of our activities.

OUR PURPOSE

As the Scottish Government's economic and community development agency for the north and west of Scotland, HIE's purpose is to generate sustainable economic growth across the Highlands and Islands.

OUR VISION

We want the Highlands and Islands to be a highly successful and competitive region in which increasing numbers of people choose to live, work, study and invest.

OUR 2020 AMBITIONS FOR THE HIGHLANDS AND ISLANDS

We will pursue a number of long term ambitions and, by 2020, aim to see a Highlands and Islands that is:

- An international marine renewables centre
- A world-class digital region
- Home to more growth businesses operating in international markets
- Recognised internationally for digital healthcare and marine science expertise
- Characterised by dynamic, sustainable communities
- A globally-connected region
- An attractive region for young people

OUR PRIORITIES

Supporting businesses and social enterprises to shape and realise their growth aspirations

Strengthening communities and fragile areas

Developing growth sectors, particularly distinctive regional opportunities

Creating the conditions for a competitive and low-carbon region



SUPPORTING BUSINESSES AND SOCIAL ENTERPRISES TO SHAPE AND REALISE THEIR GROWTH ASPIRATIONS

Stimulating growth and fostering ambition with the businesses and social enterprises that operate across the region lies at the heart of HIE’s remit. Growth businesses create employment opportunities and attract people and investment into the region. Social enterprises do likewise and play a key role in our most rural areas, bringing both economic and community benefit.

Through our account management approach we provide bespoke solutions incorporating a wide range of support, including access to national and international services and expertise.

Building on this holistic approach we will promote and encourage adoption of the Scottish Business Pledge, articulating the benefits to both businesses and to the wider society of taking this progressive approach.

The support provided by HIE complements that provided by Business Gateway and other partners to the wider business community, to ensure we maximise the impact derived from public sector assistance across the region.

We will focus our efforts on organisations that aspire to grow and will enhance our support with increased focus on those aspects which directly affect competitiveness and productivity. The following are therefore the priority areas for our support to growing businesses and social enterprises.

LEADERSHIP AND ENTREPRENEURSHIP

Strong leadership and an entrepreneurial culture are essential attributes in stimulating growth and capitalising on new business opportunities in UK and international markets. Our Encouraging Entrepreneurship initiative builds on successful programmes, which hundreds of our businesses have taken advantage of, and we will continue to create exceptional development opportunities for entrepreneurs and business leaders.

Our strategic partnership with the Massachusetts Institute of Technology (MIT) ensures that our business and social enterprise clients have access to world

class products and services. Collaborations with world leading organisations will ensure access to high quality support for existing and emerging business leaders. We will launch networking programmes which address geographic dispersal and peripherality to help entrepreneurs across the Highlands and Islands make the connections they need to build successful businesses.

HIE’s Leadership for Growth programme will continue to equip emerging business leaders with strong skills and provide mentoring and a supportive peer networking environment, in particular we are committed to addressing under-representation of women at leadership levels across the Highlands and Islands.

New Start Highland is a dynamic social enterprise creating opportunities for people to make positive changes to their lives and improve their quality of life.



INTERNATIONAL TRADE AND INVESTMENT

Supporting increased internationalisation across the business base is a priority for HIE. Research shows that businesses that trade internationally grow faster, exhibit higher levels of productivity and are more innovative than the business base as a whole. The challenge is, therefore, to develop a more outward and globally aware region – to create greater global ambition. This will require a broader approach to embed an international mind-set across the Highlands and Islands for all businesses. A core part of this approach will involve the development of a digital-based campaign, augmented by a series of events, to help articulate the considerable business benefits to be derived from trading internationally. Further support from specialist advisers to help clients refine and progress their plans more rapidly will be made available alongside efforts to encourage more collaboration between businesses to build scale to help them enter new markets.

We will develop the exporting base in the Highlands and Islands by working with experienced exporters to extend their reach into new markets, and we will work more intensively with the broader range of businesses for whom international trade is currently an aspiration. We will continue to

deliver international business support through our partnership with Scottish Development International (SDI), whilst our International Highlands and Islands programme will help firms take their first or next steps into overseas trade. The support provided will be closely tailored to the needs of individual businesses with the overall aim being to broaden the number of businesses engaged in international trade.

Inward investment has played an important role in helping diversify the region's economy and creating large numbers of jobs in growth sectors. Working closely with SDI we will look to attract more new international firms to our region, capitalising on the opportunities in Enterprise Areas and building on the successes of recent years, particularly in the energy, life sciences and business services sectors. We equally recognise the importance of the many existing inward investors operating across the Highlands and Islands. Over the period of this plan, we will increase the priority afforded to investor development and seek to maximise their impact through direct operations and supply chain development.

SALES AND MARKETING

An understanding of sales and how markets and customers operate is vital to the growth of every business. Effective sales and marketing permeates successful businesses, helping attract new customers, retain and grow existing accounts, and identify new market opportunities through intelligence gathering. Entering new home and international markets is key to growth for Highlands and Islands businesses, and consequently, enhancing sales and marketing expertise will be an increased priority for HIE support. In addition to our advisory services, we will bring a series of masterclasses to businesses on this topic and we will invest further in bringing best practice to the Highlands and Islands to deepen the appreciation of, and expertise in, sales and marketing.



INNOVATION

Innovation is a fundamental driver of business competitiveness. Its importance was set out in the national framework for innovation, Scotland CAN DO, and is emphasised further in SES. Boosting innovation is therefore a key aim and we will seek to develop an innovation strand to our work with all account managed clients. Innovation takes many forms, from new products and services, R&D, to changes in workplace design and practice. HIE's enhanced support for innovation will ensure the most appropriate resources are made available to maximise innovative activity. In particular we will:

- Establish a dedicated Innovation Service to support organisations, through account managers and a team of innovation specialists.
- Provide a range of products and services to encourage innovation and R&D, including advice, diagnostic tools, innovation grants, Scottish Manufacturing Advisory Service, graduate and knowledge exchange placements.
- Ensure Highlands and Islands organisations benefit from national innovation resources through facilitating access to Scotland's universities, Innovation Centres, Interface, Innovate UK, Catapults, Enterprise Europe Network and others.
- Support social enterprise and community-led development through our Community Account Management programme which fosters innovative approaches to economic and social outcomes.
- Promote the take up of superfast broadband and the business opportunities which enhanced digital connectivity brings.
- Stimulate sectoral innovation, e.g. in marine energy through Wave Energy Scotland, new start technology business through our Accelerator programme, our Digital Tourism initiative and the National Water Innovation Service.
- Provide access to leading entrepreneurship education through our strategic relationship with MIT and innovation expertise through our Creative Futures partnership with the Glasgow School of Art.
- Invest in infrastructure such as Inverness Campus, European Marine Science Park, Enterprise Park Forres.
- Promote a culture of innovation across the wider business base through our Innovate your Business programme.
- Contribute to the new ministerial-led Innovation Forum and International Innovation and Investment hubs.

DISCOVER NEW MARKETS ON YOUR DOORSTEP

At Highlands and Islands Enterprise, we can help you gain access to markets overseas. Our free programme offers support and workshops designed to help businesses of all sizes gain the expertise needed to start or improve their international trading. So you can bring home the benefits and watch your business grow.



DIGITAL OPPORTUNITIES

Investment in the region's digital infrastructure continues apace and is providing enormous opportunities for businesses and social enterprises to develop new products and services, and present their goods to market in new and innovative ways. HIE will focus on helping organisations to understand the power and capabilities of superfast broadband and provide assistance to capitalise on the opportunities it presents.

We will ensure that account managed businesses and social enterprises optimise their business models to take advantage of digital connectivity, and provide specialist advice, digital health checks, workshops on relevant topics and a digital innovation grant scheme. We will also support businesses to develop their cyber-resilience, protecting IPR and customer data from on-line threats, while Scotland's first Digital Excellence Centre, to be based at Inverness Campus, will showcase the latest technologies.

ACCESS TO FINANCE

Access to finance is a crucial issue for businesses across Scotland, and the Highlands and Islands is no exception. We have actively built relationships with all the major banks, aimed at improving mutual understanding and ultimately encouraging greater investment in ambitious growth businesses across the region. To deepen relationships further, bank secondees have joined HIE and work directly with account managers. HIE will work with colleagues in the Scottish Government to establish a Scottish Business Development Bank. We will also continue to promote HIE's own role as a potential source of funding for businesses and social enterprises, as well as a provider of information and advice, and facilitate access to national funding sources including the Scottish Investment Bank.

We have prioritised support for social enterprises wishing to grow and have made investment readiness advice from social investors and banks available for our account managed social enterprises.

We will:

- Increase annual turnover in supported businesses by £80-£100m
- Support the creation/retention of 700-900 FTE jobs per annum
- Focus account management efforts on those businesses with the greatest growth potential
- Promote the Scottish Business Pledge and work with clients to encourage its adoption
- Develop the exporting base by supporting new entrants to internationalisation and experienced companies to extend their reach into new markets
- Deliver quality leadership and entrepreneurship programmes to businesses and social enterprises
- Invest in innovation as a key driver of productivity, working intensively in this area with our account managed clients
- Pursue inward investment in our priority sectors, creating jobs and wealth
- Optimise the benefits of superfast broadband and enhance the sales and marketing expertise of organisations across the region

STRENGTHENING COMMUNITIES AND FRAGILE AREAS

The Highlands and Islands is recognised as a region in which communities take responsibility for shaping their future, where an innovative social enterprise sector helps tackle inequality and create jobs, where community asset ownership and service delivery are well established and supported, and where unique cultural assets, including Gaelic, play a significant role in creating vibrant, strong communities.

Supporting communities to develop and grow is a distinctive component of HIE's remit and contributes directly to addressing the geographical inequalities that can affect the most remote and rural parts of our region.

Our approach to strengthening communities is threefold: we invest in building community capacity and confidence, empower communities to acquire, manage and exploit community assets for community benefit, and enable sustainable growth in the social economy through strong social enterprises.

Creating resilient rural communities will be informed by legislative changes such as the Community Empowerment Bill and the Land Reform agenda.

Delivering national programmes on behalf of the Scottish Government across Scotland is integrated with our Strengthening Communities priority. Community Broadband Scotland brings support to communities to secure digital connectivity, and the Scottish Land Fund, which we deliver in partnership with the BIG Lottery Fund, will create more community-owned assets. Collectively, these programmes underpin the ability of communities to develop and grow.

Understanding the demographic imperative across Scotland to support and engage our young people, we will work on the broad cultural, economic, lifestyle and academic opportunities of our region.

COMMUNITY-LED DEVELOPMENT

Building the capacity of communities within our region is central to our work. Our primary and well established method through which to do this is community account management. In conjunction with our Community Planning Partners, and wider national partners, our long term aim is to enable communities to rebalance their demographics and grow resilient economies.

We will make our capacity building expertise, and that of national community enterprise organisations, more accessible to communities as they embark on development plans. We will significantly enhance the capacity of communities, high growth social enterprises and the delivery of significant community-led revenue earning projects through our Community Capacity Building programme. The programme will enable account managed communities to deliver community benefit, facilitate the realisation of community renewable electricity and support innovative, high capacity social enterprise growth.

We will encourage crofting community development through support to whole crofting communities which actively seek opportunities to develop and grow. Our work with partners to explore best practice in the diversification of crofting assets will maximise community development opportunities. We will work in partnership with the Crofting Commission to deliver a crofting community development programme.

COMMUNITY LAND AND ASSET OWNERSHIP

Community asset ownership is a cornerstone of our work to enable resilient rural communities. Such assets provide a base from which to generate income, deliver services, stimulate development, and grow confidence and ambition. We will enhance our suite of products and services to match the needs of communities from initial idea, through the asset acquisition process, and on to sustainable asset development. A strong focus on community enterprise underpins our work to ensure ongoing delivery of social and economic impacts.

We will deliver the Scottish Land Fund, in partnership with the BIG Lottery Fund. Working with partners, we will explore how best to support communities to maximise opportunities arising from new Community Empowerment legislation, and we will lead on the development of innovative funding arrangements to increase private investment in community asset ownership.



SnaS Ceilidh Band at Eden Court, Inverness. Blas Festival.

Our region is recognised as a leader in community energy ownership and innovation. We will build on the strong platform of investment made in recent years to ensure we maximise the number of communities who can benefit from community-owned renewable energy projects and support them to participate in commercial renewable energy developments in their area. An important aspect will be our partnership with Scottish Government in the Community and Renewable Energy Scheme (CARES). Building on the success of the Local Energy Economy Programme (LEEP), we will continue to play an active role in the delivery of the Local Energy Challenge Fund, with a focus on innovative approaches to overcome local level grid constraints to facilitate local

use of energy. We will work with our partners to deliver the Low Carbon Infrastructure Transition Programme to support communities developing innovative energy projects, bringing capacity and expertise to enable them to achieve their energy generation ambitions.

COMMUNITY BROADBAND SCOTLAND

Community Broadband Scotland (CBS), delivered by HIE, is enabling some of Scotland's most rural and remote communities to secure digital connectivity that will transform the way people live, learn and work.

CBS's focus is on residential and business premises in communities, in the most difficult to reach areas, which are least likely to benefit from the main superfast broadband roll out programmes. We will support community-led solutions to establish connections by providing expert advice, acting as an aggregator of demand and providing capital funding grants to ensure that remote and rural Scottish communities have access to next generation broadband speeds, delivered sustainably and affordably.

INCLUSIVE GROWTH

Scotland's Economic Strategy highlights the mutual importance of developing a competitive economy and addressing inequalities. This twin focus fits well with the unique remit of HIE as an economic and community development agency. We will work to promote inclusive growth in a number of ways including:

- Our Strengthening Communities remit has as its core, addressing some of the challenges of the most remote and fragile parts of our region. Our Community Account Management programme will provide a range of support to communities and we will invest in projects which enable growth and tackle fragility.
- We will promote the Scottish Business Pledge to organisations that we support.
- We will empower communities through community asset ownership to lead their own development and become increasingly enterprising.
- In many parts of the region social enterprises provide valuable employment and the delivery of local services. Social enterprise will continue to be a key focus of our support.
- We will support young people through providing graduate placement opportunities with organisations across the region and through implementing Scotland's Youth Employment Strategy.
- With partners, addressing the challenges of living in remote areas as identified through our Minimum Income Standard research.
- Continue the rollout of superfast broadband and community broadband solutions, thereby providing digital connectivity and opening up opportunities for geographically remote areas.
- With partners, strengthen cultural development opportunities for young people, both academic and vocational, in traditional music, Gaelic, crofting and community-led cultural enterprise.
- Support the development of the University of the Highlands and Islands in providing local access to higher education.
- Mainstream equality considerations in HIE programmes, and support increased participation of women in leadership programmes.



SOCIAL ENTERPRISE

Social enterprise is critical to the economy and society of the Highlands and Islands, and the social enterprise business model is an active choice for many of our region's most innovative entrepreneurs.

We highly value the intrinsic importance of the social and community enterprise sector. We invest through direct support, tailored products and services, account management and capital investment. We also provide support so that the leadership, innovation and the business dimensions of the sector can be strengthened, in turn supporting increased capacity, development and organisational growth.

We will extend our market intelligence of the scale and contribution of the social enterprise sector to the Highlands and Islands economy. We will also enhance our model for account management of social and community enterprises and explore new approaches to financing and funding models.

In partnership with the Scottish Government, we will continue to deliver a Business Support and Learning Programme for social enterprises for the next two years and we will work with the Social Enterprise Academy to deliver a new HI Social Enterprise in Schools programme that will give every school in the region the opportunity to develop a social business, while stimulating entrepreneurship and raising awareness of social enterprise activities in local areas.

Together with sector leaders within the social enterprise arena, and working with the Scottish Government, we will enable social enterprise to have a greater role in the design and delivery of public services.

CULTURE

HIE's Ambitious for Culture Policy informs our work in this cross cutting area. It brings together our sectoral work on creative industries, food and drink, and tourism, with our work to enhance the use of Gaelic as an asset, support for crofting community development, as well as other community-led cultural activities which enhance participation and the attractiveness of our region.

Drawing on the support of sector partners, including Creative Scotland, we will expand the reach of our Collaborative Creative Communities programme to ensure the benefits reach every part of our region. We will work with organisations to enhance the resilience of our cultural social enterprises, facilitating support networks for developing cultural enterprises and actively strengthening the sector.

We will lead the national partnership, which delivered the research into Gaelic as an Asset, to identify Scotland-wide collaborative investments, by partnerships across the public sector, which maximise the social and economic contribution of Gaelic to our region.

We will:

- Deliver an annual increase in turnover in the social economy of £3.0-4.5m
- Support 40-60 new/improved services and income generating assets delivered by assisted communities
- Support land asset purchases bringing further acreage into community ownership
- Support investment in community assets to deliver income generating opportunities including renewable energy
- Ensure communities across remote rural Scotland have access to next generation broadband
- Support social entrepreneurs to further develop leadership and growth skills
- Support crofting communities to implement growth and diversification plans
- Use the findings of Gaelic as an Asset research to maximise the economic and social impacts

DEVELOPING GROWTH SECTORS, PARTICULARLY DISTINCTIVE REGIONAL OPPORTUNITIES

The region's natural assets, ambition, skills base and cultural background provide a range of opportunities to develop a vibrant sectoral economy. Capitalising on this asset base to create opportunities for growth and prosperity will help tackle inequalities and build a more competitive, resilient economy.

We will focus our sectoral efforts on the sectors identified in SES: Food and Drink, Financial and Business Services, Life Sciences, Energy, Tourism and Creative Industries.

HIE provides sectoral support through a range of interventions, principally: direct support to businesses and social enterprises, specialist programmes and interventions to create the conditions for strong sectoral growth, and influencing sectoral and public policy within Scotland, the UK and Europe.

An essential component of our sectoral development is the close working relationship we have with key partners including the Scottish Government, Scottish Enterprise, Scottish Development International, VisitScotland, Skills Development Scotland, Scottish Funding Council, Creative Scotland, industry leadership groups, local authorities and the NHS.

ENERGY

The energy sector in the Highlands and Islands is well established and diverse including important components of the oil and gas supply chain, an expanding renewable energy sector and a growing involvement in oil and gas decommissioning work.

Since 2010, over £140m has been invested by the public and private sectors in ports in Orkney, Highland, Argyll, Shetland and the Western Isles, placing the region in a strong position to benefit from decommissioning and renewable energy opportunities in particular. Further investment will be required, to build capacity in manufacturing, fabrication, assembly and operation and maintenance facilities.

We will seek to maintain the positioning of the Highlands and Islands as an international centre for marine renewables such as offshore wind, wave and tidal. This will build on the region's natural resources, the global reputation of the European Marine Energy Centre (EMEC), and capitalise on the opportunities to be generated from the establishment of the MeyGen tidal array in the Pentland Firth. In addition to supporting ambitious local businesses, we will utilise Enterprise Area benefits, and those sites identified in the National Renewables Infrastructure Plan (NRIP), to attract

inward investment to the region.

Through Wave Energy Scotland, we will bring together the best engineering and academic minds to collaborate on innovative projects that will accelerate the development of wave technologies.

We will lead on the development of a floating off-shore wind test and demonstration centre based at Dounreay in Caithness. We will also support the further development of knowledge networks, academic research and education, and work in partnership with Skills Development Scotland and the Scottish Funding Council to ensure that the opportunities presented by this sector can be supported by skills provision.

The fall in the price of oil will inevitably have implications for the businesses operating within the sector. We will work with the Highlands and Islands Oil and Gas Taskforce and the Energy Jobs Taskforce to help the sector adapt to the new operating environment and implement the recommendations of the Wood review. In particular we will support innovation and collaboration, helping firms find new ways of working to remain competitive, and seek out new opportunities for expansion in international markets.



Oculus Rift in the Gaming Playground, goNORTH 2014.

LIFE SCIENCES

The Highlands and Islands is home to Scotland's largest life sciences company, and to a growing number of life science organisations including businesses, internationally recognised academia, and pioneering healthcare providers. Activity has grown across all parts of the region, supported by a collaborative approach which combines expertise in medical devices, diagnostics, digital healthcare, informatics and natural products.

Opportunities for growth are emerging as social and economic trends and advances in technology present new models for the delivery of health and care, as evidenced by the developing cluster of digital healthcare activity. In particular we will deliver our Accelerator programme which will stimulate the creation and growth of scalable life science and digital health projects and businesses. It will promote rapid growth of innovative research projects and provide participants with a wide range of benefits

including dedicated coaching, access to life science specialists, workshops and seminars, accommodation at the Centre for Health Science in Inverness and a peer group learning environment.

We will work with the 80 or so businesses now active in the regional life sciences sector and will seek to capitalise on investments in key infrastructure projects, including the European Marine Science Park in Argyll, the Alexander Graham Bell Centre in Elgin and Inverness Campus. These state-of-the-art facilities enhance our inward investment proposition, which will also be a priority for this sector, reflecting decisions by several businesses to establish a presence in the region, and enabled by Enterprise Area benefits at selected sites.

Developing skills to support future growth of the sector is critical. HIE will work with partners to deliver innovative projects to ensure provision of relevant skills, and will work closely with the Scottish Funding Council

and partners on the delivery of innovation centres, including those covering digital health and industrial biotechnology, to secure commercial advantage for businesses in our region.

Growing collaboration between academic institutions, clinicians, NHS, businesses and public agencies is creating multi-faceted opportunities in disease management, smart communities and wellbeing and preventative health. This 'Collaborative Campus' initiative will be a major focus of our efforts to accelerate sector growth.

FOOD AND DRINK

The Highlands and Islands is a region renowned for producing high quality food and drink products. Businesses range from large global enterprises through to specialist niche producers, supporting some 32,000 jobs, often in more remote areas. We will work to realise growth through account management. Real prospects exist on the back of strong

forecasts for international demand, particularly in new and emerging markets. There is a strong competitive advantage around the high quality, authenticity, environmental quality and connection to people and place with our produce, and we will build on these provenances and profile attributes. HIE will continue to work in close partnership with VisitScotland and SDI to maximise impact from these opportunities, and in particular to maximise the benefits from marketing 2015 as Scotland's Year of Food and Drink.

We aim to develop export potential through deeper engagement with key clients, and creating a stronger pipeline of new exporters. We will address barriers to exporting by creating confidence, skills and scale across the sector through our Food and Drink Collaboration initiative and Emerging Companies programme. We will also ensure that the Highlands and Islands is well represented at major exhibitions to showcase the region's products and win new orders. Building in the evidence from an evaluation of the Access to Markets programme we will seek to increase the impact of this initiative on the scale and breadth of exporting from across the sector.

Increasing the level of innovation in the sector and creating improved routes to market at UK level through a strong partnership with Scotland Food and Drink, are key priorities.

CREATIVE INDUSTRIES

Creative industries is one of the world's fastest growing sectors, with ever increasing demand for quality content and niche products. It is a particular strength of the Highlands and Islands, contributing both to the economy and cultural life of the region. Working with the sector we will build the region's profile and reputation as an exemplar for the successful development of the creative economy in remote, rural regions and support emerging and established creative entrepreneurs to build dynamic, innovative, sustainable and competitive creative businesses. In addition we will work to leverage more from existing assets and activities, to ensure the most appropriate support for creative businesses is provided across the region.

Our support for this sector, which is characterised by small enterprises recognises its breadth, including music, screen and broadcast, writing and publishing, crafts, textiles and designer fashion, design, and digital media.

Technology is transforming creative industries, through the creation of innovative new business models, products and services, and in facilitating access to new markets. We will seek to maximise the opportunities high speed digital connectivity offers, and in particular, will look at cross-media working, encouraging

new creative collaborations, and helping businesses to look at new ways of engaging with consumers, new ways of exploiting IP, new types of product and new revenue streams.

We will support businesses in the sector through both account management, and through our industry network programme which offers access to specialised knowledge and help. An important part of our work will be the business conference XpoNorth, fostering greater collaboration and links across the breadth of the creative industries.

Youth employment will also be an important element of our activity, with support now being available in the region to take a potential creative entrepreneur from school age, through to an international career.

We will also support communities to realise the commercial potential of creative and cultural activities, and, working with partners, seek to maximise the benefits from investments in facilities such as Mareel in Shetland, and the Creative Industries and Media Centre in Stornoway.

INTERNATIONALISATION

In a highly competitive world our businesses and sectors need to be able to measure up against the very best and to identify and pursue growth opportunities in countries around the globe. At the same time it is important that an international profile of the region as a highly attractive place for businesses and people to locate and develop is actively promoted. Our "International Highlands and Islands" initiative will bring an enhanced focus to the work of creating greater global ambition and will be further informed as Scotland's new International Framework is developed. Our activities will include:

- Given the correlation between internationalisation and business performance, we will provide an extensive range of support for businesses, whether existing, new or potential exporters. We will aim to increase export activity by 50% by 2020.
- Assist organisations to attend international trade shows and exhibitions, particularly associated with our priority sectors and provision of international marketing events and country opportunity awareness seminars.

- Maximise, for the benefit of organisations in the region, the resources available through our partnership with SDI and UKTI, including access to SDI's in-market staff in 29 offices in 17 countries around the world.
- Encourage the formation of innovative exporting mechanisms such as our current Food and Drink Collaboration initiative for small scale premium producers.
- Raise the profile of the region, its distinctive attributes and opportunities on the international stage.
- Seek to attract inward investment which complements our indigenous company base and creates new employment.
- Promote the region's globally recognised and innovative social economy, through partnerships across Europe and beyond.
- Influence the development of connectivity into the region with a focus on air routes to international hub airports.
- Encourage the internationalisation of the Universities sector, both through overseas teaching and research opportunities and growing an international student cohort in the region.



TOURISM

Tourism is synonymous with the Highlands and Islands. It is a key component of the region's economy, employs 24,000 people and underpins many of the communities across the region. International awareness of our superb landscape, environment and culture are world class assets.

We will work to exploit this reputation and create opportunities in niche markets such as adventure tourism, golf, genealogy, business tourism and conferences. Investment in new harbour and pontoon facilities on the west coast has enhanced the region's marine tourism product, while significant transformation has been brought about through major investments in various locations.

We will continue to provide up-to-date market information through Tourism Intelligence Scotland and given the importance of connectivity, we will deliver a major digital tourism initiative. In line with the industry-led National Tourism Strategy, and working in partnership with VisitScotland, we will focus our efforts on opportunities that have the greatest potential to enhance the region's offering. In particular, we will support the development of tourism experiences that make the most of our region's environment, culture and heritage, the promotion of tourism towns and destinations, and the development of higher value, quality tourism products and services.

Central to our support for the sector will be account management of individual businesses

and social enterprises, and we will actively pursue new market opportunities and inward investment where this can make a distinctive and significant contribution to this sector.

Sustainable tourism developments have been prioritised by some of our region's most remote asset owning communities and contribute powerfully to our ability to offer authentic, memorable and high quality visitor experiences, whilst strengthening local economies.

FINANCIAL AND BUSINESS SERVICES

The Highlands and Islands is a prime location for global business services companies. The sector has grown steadily in the area over the last 20 years and, as a result of mergers and acquisitions, we now have some of the world's largest business services and IT service providers in our area. We shall continue to promote the region as a cost effective onshore location for the delivery of outsourced customer service and higher value IT roles. Working with SDI, we will seek to establish deeper engagement with these clients to understand current trends in order to attract additional investment in the future.

Transformational investment in digital infrastructure offers opportunities to extend the sector's reach across the region by attracting smaller scale global business services contracts and opening up home working opportunities for individuals in some of our more remote communities.

The financial and business services sector relies heavily on the availability of a skilled labour pool. We will work with STEM partners including Skills Development Scotland and the University of the Highlands and Islands (UHI) to ensure appropriate training provision is available to meet current and future skills needs and develop a skilled labour pipeline. This is key to underpinning the sustainability and growth of the sector and positioning our area as an attractive location for future investment.

We will:

- Support the further development of a world class energy sector
- Maximise the region's expertise in medical diagnostics, digital healthcare and natural products
- Support an increase in the number of export active food and drink companies
- Develop niche tourism opportunities and higher value opportunities, products and experiences
- Leverage the region's reputation as a business services location to attract further investment and higher value activities
- Implement an ambitious regional strategy for the creative industries sector
- Pursue inward investment opportunities across all sectors

CREATING THE CONDITIONS FOR A COMPETITIVE AND LOW CARBON REGION

HIE plays a leading role in developing the conditions that will enable the Highlands and Islands to be a globally competitive region. Modern telecommunications, serviced sites and premises, good transport connections and university education are essential components of a successful region.

Connectivity is vital. We will give top priority to digital connectivity and the creation of a digital region. However, physical transport connections are also essential, both within and for access to and from the region. We will work with transport authorities to inform and influence decisions that affect the region, such as ferry services, road and rail improvements and air route development, which is an important aspect of developing greater global ambition.

The University of the Highlands and Islands (UHI) provides local access to higher education. It is an essential component of the region's attractiveness and to the realisation of many of our economic opportunities. We will continue our partnership with UHI, and with other academic institutions.

CREATING A WORLD-CLASS DIGITAL REGION

High speed digital connectivity is an essential part of Scotland's 21st century infrastructure - an enabler of both economic and community benefits. Superfast, or Next Generation Broadband (NGB) will contribute to business competitiveness, and aid the sustainability and growth of fragile communities, not least by improving remote delivery of public services.

It will enable new forms of remote working, enhance education opportunities and lifestyle choices in rural communities. It will also contribute to sector growth in areas such as digital healthcare, business services, tourism and creative industries.

HIE, in partnership with BT, is leading the largest and most complex broadband deployment project in the UK as part of the Scottish Government's superfast broadband programme. This will deliver NGB to 84% of premises across the region by 2016. We are also working to identify funding and technical solutions that will provide the remaining 16% of premises with the same world class provision by 2020. As part of this we deliver Community Broadband Scotland (CBS) in the provision of digital solutions to communities across Scotland. Future investments in digital infrastructure will focus on identifying and addressing creative solutions to improve the resilience, reach and quality of mobile coverage across the region.

While installing the infrastructure is essential to long-term competitiveness, equally important will be ensuring that the region maximises the benefits of digital connectivity. We will build on our existing IT engagement activities and provide a range of specialist online and face-to-face support and advice to businesses and communities to enable them to exploit enhanced connectivity. We will also establish a Digital Excellence Centre in Inverness to bring the latest technologies to the attention of businesses.

A REGION FOR YOUNG PEOPLE

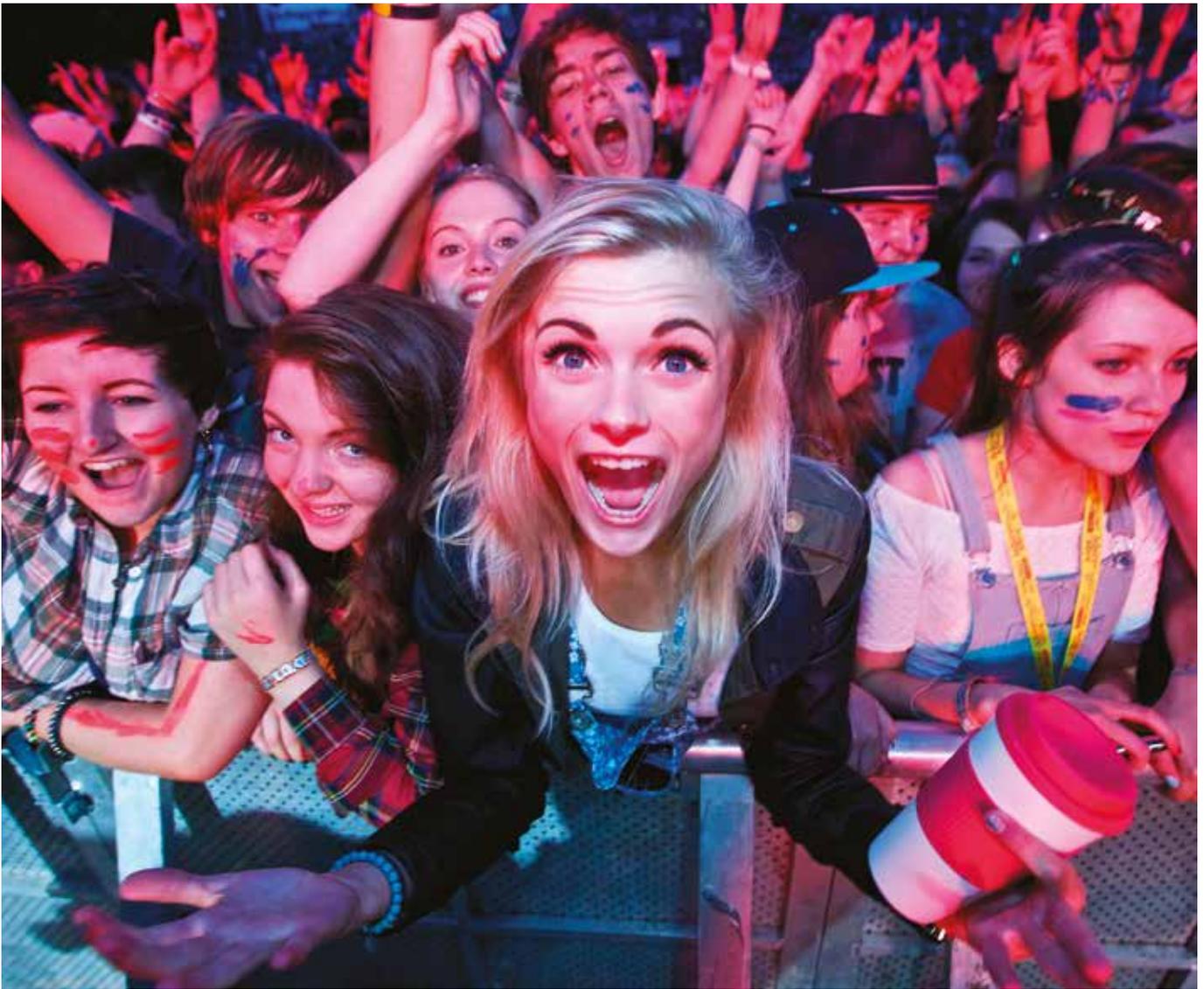
Further population growth across the region will be essential if we are to successfully deliver our long term aspirations. It will be particularly important to address demographic imbalance by attracting an increasing number of young and economically active people to live, work and study here. Interventions

to bring about this change will include working with university partners to expand the provision of undergraduate courses and to ensure those courses are aligned with regional opportunities for growth.

We will also work at a programme level to encourage and support high growth businesses and social enterprises to employ graduates, through our ScotGrad Programme, supporting the development of Scotland's young workforce through the provision of opportunities to gain experience of working in the Highlands and Islands. Through the Business Pledge we will encourage participation in Invest in Youth and promote Investors in Young People accreditation.

Recognising the growing regional cluster of science based businesses, teaching and research centres, allied to long term career opportunities in sectors such as energy and life sciences, we want to help build a science region. HIE will create and strengthen knowledge exchange links between universities and businesses, promote opportunities for young people in Science, Technology, Engineering and Mathematics (STEM).

Working with local authorities, UHI and other partners, we will create a regional Science Skills Academy. HIE will work with partners to implement the themes contained within the Highlands and Islands Regional Skills Investment plan – to meet the current and future skills needs of employers, to increase opportunities for young people to study, train and work in the region, and to attract more people into the region to take up employment opportunities.



£ INVESTMENT

Attracting and delivering investment which helps drive the growth of businesses, social enterprises and communities across the region is a vital part of HIE's role. We have a range of investment tools at our own hand and supplement this with investment from other sources including European funds. Investment covers a broad range of areas important to the prosperity of the region and will include:

- The rollout of superfast broadband through a £146m project across the Highlands and Islands. This is supplemented by further investment through Community Broadband Scotland.
- Provision of financial investment to organisations by way of grant, loan or equity funding.
- The creation of business premises to support growth and inward investment and the development of important sectoral infrastructure such as ports and harbours to enable the growth of the energy sector, the European Marine Science Park near Oban and Creative Industries centres in Lerwick and Stornoway. We will also exploit the enterprise area designations in the region for life sciences and energy.
- Encouraging the growth of the University sector, both through the University of the Highlands and Islands and in support of the five other universities currently active in the region.
- Building the capacity of communities and in support of community asset ownership which often underpins sustainability and growth aspirations, including support for Gaelic.
- Looking forward, we'll invest in the people and skills needs of the region, in particular through implementation of the Highlands and Islands Regional Skills Investment Plan and through the establishment of a regional Science Skills Academy to ensure the career opportunities and employers' needs in areas of science, technology, engineering, maths and digital technologies are addressed.
- Delivery of a portfolio of Regionally Significant Investments (RSIs) – projects which deliver long-term benefits in terms of the structure of the economy and value created.



The cable laying ship the Rene Descartes landing broadband cable at Tobermory, Isle of Mull, Inner Hebrides.

UNIVERSITIES

The region benefits from the presence of six higher education institutions – the universities of the Highlands and Islands, Aberdeen, Heriot-Watt and Stirling, the Glasgow School of Art and Scotland’s Rural College.

Over the last 10 years, development of academic research has been a priority for HIE. For the knowledge based sectors of the regional economy such as life sciences, energy and digital to grow, the region needs to ensure the conditions that support innovation are in place. HIE will work to improve the extent to which businesses and sectors interact with universities, leading to improved, productive relationships that stimulate knowledge exchange, innovation, product development and new business

opportunities. Outcomes from this work will directly connect to the realisation of benefits from infrastructure investments across the region, including Inverness Campus and the European Marine Science Park in Argyll. In addition to accelerating business growth and innovation, this work will exploit the emerging potential from investments in broadband connectivity.

A central component of this work will be our engagement with the University of the Highlands and Islands (UHI), an integral part of the region’s academic, teaching and research infrastructure. HIE will work closely with UHI to align investment with the growth opportunities that exist across the region including as part of promoting the Highlands

and Islands as a science region. We will also work with all of Scotland’s universities to ensure the expertise required to develop regional opportunities is available, as is evident in our Collaborative Campus work in life sciences, and by utilising the network of Scottish Innovation Centres through which business and academic interactions can be fostered.

The Creative Futures Partnership is our transformation partnership with the Glasgow School of Art. Investment of £10m over the next five years will secure a legacy of creative academic capability in our region and stimulate economic growth.

DEVELOPING LOW CARBON OPPORTUNITIES

Scotland's ambitious 2020 targets on renewable energy, zero waste and decarbonising transport and heat require concerted activity from private, public and third sector partners to tackle climate change. HIE is supporting the region's transition to a low carbon economy through a series of measures, including the development of the renewable energy sector, new clean technologies, innovation in infrastructure and utilities, and investments in digital technology which increase business performance while also reducing the need to travel, impacting on the carbon footprint of the region.

This provides an opportunity to transform resource use and stimulate the growth of a more circular and prosperous economy, so that waste as we know it is designed out of our economy, encouraging innovation in manufacturing, industry and retail.

Through account management, we will support businesses, social enterprises and communities to capitalise on low carbon opportunities in the environmental and clean technology sectors and encourage and support them to maximise efficiency and minimise waste. HIE is a partner in the Scottish Business Sustainability Partnership, supported by Resource Efficient Scotland (RES), a one stop service where organisations can more easily receive accurate, relevant advice and support on energy and resource efficiency issues affecting their business.

As a partner in the National Water Innovation Service and the water strand of the Green Growth Action Plan we will ensure businesses have access to new opportunities and services.

HIE will continue to provide development sites and bespoke premises to support the growth of priority sectors. All developments will aim to meet the highest possible environmental and resource efficiency standards, with BREEAM 'excellent' ratings where achievable.

STRATEGIC PROPERTY AND BUSINESS INFRASTRUCTURE

The development of business infrastructure is an important tool in delivering economic growth. Provision of modern facilities to attract new businesses to the region and support the expansion of existing firms is essential if we are to build on the progress made in recent years, broaden the economic base and ensure we are properly equipped to capitalise on opportunities in growth sectors.

We will look to provide serviced sites and premises to support priority sectors in locations where there is no prospect of the private sector doing so, and to ensure the availability of appropriate business infrastructure to assist economic regeneration. In addition we will identify opportunities to work with the private sector to facilitate the development of key property and infrastructure projects sponsored by third parties.

During the period of this plan we will continue to promote further development at key regional infrastructure sites such as Inverness Campus, European Marine Science Park, Enterprise Park Forres and Arnish Stornoway, to maximise the benefits of designated Enterprise Areas across the region. We will also seek to identify new opportunities to encourage development in some of our more peripheral and fragile areas in partnership with private sector developers where such opportunities are possible.

We will:

- Provide superfast broadband to 84% of premises across the Highlands and Islands and develop solutions and identify funding to extend that coverage to 100% by 2020
- Support businesses and communities across the region to capitalise on digital opportunities
- Support account managed clients to adopt low carbon business models and opportunities
- Invest in new business infrastructure and maximise the benefits from existing projects such as Inverness Campus, Enterprise Park Forres and European Marine Science Park, Argyll
- Support the University of the Highlands and Islands and the wider Scottish university sector in contributing to the region's growth
- Influence the development of transport infrastructure and service provision to support regional competitiveness
- Implement the Highlands and Islands Regional Skills Investment Plan in partnership with national and regional partners
- Promote opportunities for young people, including through graduate placements and science-related developments
- Deliver a range of Regionally Significant Investments (RSIs) that will deliver long term benefits to the region

MEASURING OUR IMPACT

HIE's performance framework is derived from the Scottish Government's National Performance Framework, our projects, programmes and range of initiatives contributing to the Purpose Targets and National Outcomes.

We will refine our performance framework as the National Framework is revised in line with the Scotland's Economic Strategy to ensure it remains focused on the outcomes we achieve and the impact we generate from our activities. Our performance framework is an integral component of the HIE Management System. It captures the activities we deliver, the outputs and outcomes we support, and ultimately how these translate into impact for the region and for Scotland, as illustrated below.

PRIORITIES

Supporting businesses and social enterprises to shape and realise their growth aspirations

Strengthening communities and fragile areas

Developing growth sectors, particularly distinctive regional opportunities

Creating the conditions for a competitive and low-carbon region

OUTPUTS

Businesses and social enterprises completing projects which deliver:

- Economic growth
- Employment opportunities
- Internationalisation
- Productivity improvements
- Innovation
- Research and development
- Resource efficiency
- Inward investment
- Financial sustainability
- Environmental clean technologies
- Social impacts

Businesses, communities and intermediaries completing projects which create:

- Economic growth
- Employment opportunities
- Community participation
- Revenue generating community assets
- Community services/amenities

Projects completed which deliver:

- Sectoral policy outcomes
- Supply chain development
- Conditions for growth
- Investment leverage

Policy influence

Leverage resulting from HIE investment

Enhanced infrastructure projects completed

OUTCOMES

Forecast increase in turnover (including exports)

Forecast increase in turnover in the social economy

Forecast jobs created and retained

Increased social participation

Increased community benefit

Enhanced connectivity

Reduced CO₂ emissions

ANNUAL MEASURES AND BUDGET

Given the breadth of HIE’s remit, the corresponding outputs and outcomes are many and distributed between the short and longer term. A measurement framework has been developed from which a subset of measures have been selected to represent progress against the Operating Plan as a whole.

ANNUAL MEASURES	RANGE
Forecast increase in turnover by supported businesses (£m/year 3)	80-100
Forecast increase in international sales by supported businesses (£m/yr 3)*	30-40
Jobs supported (created/retained FTE) of which are in fragile areas	700-900 100-150
Forecast increase in turnover in the social economy (£m/year 3) of which generated by community-owned assets (£m/yr 3)	3.0-4.5 1.5-2.0
New/improved services and income generating assets delivered by assisted communities	40-60

**HIE will deliver this measure in partnership with SDI.*

LONGER TERM

In addition to the above programme level out-turns, HIE’s interventions will contribute significantly towards the full range of purpose targets set out in Scotland’s Economic Strategy.

These longer term impacts will include: supporting population growth in every part of the region, maintaining the current high level of economic participation rates, tackling inequality through raising average income levels, raising productivity levels across growth sectors, increasing levels of innovation, developing a digital region and reducing emission levels across the region.

Progress towards these longer term impacts will be tracked through monitoring of national statistics, bespoke research such as the Digital Scotland Business Survey, and our in-house research and evaluation plan which seeks to quantify the impact our interventions make on the economy. The findings from evaluations will also be used to inform our future investment plans.

We will work closely with local authorities and others to improve reporting through Community Planning Partnerships, ensuring clearer linkages between identified priorities to tackle inequality and improve competitiveness, and action taken by the public sector.

TRACKING PROGRESS

The high-level measures have been selected to represent progress against what is a broad and holistic strategy. These measures relate only to HIE support to third party applicants and do not capture the full breadth of impact the organisation has on regional development. Extending our reporting efforts to tracking a broader range of measures can help inform policy and improve understanding of where and how interventions are making a difference. In addition to reporting on progress towards the measures published in this plan we will also report periodically against indicators which relate directly to the areas of increased emphasis within Scotland’s Economic Strategy, for example:

- Internationalisation activities
- Innovation and R&D activities
- Superfast broadband coverage and use
- Improved working practices
- Young people opportunities
- Wage rates
- New income generating assets
- Projects completed in CAM areas
- Land in community ownership
- Inward Investment
- Social impacts

BUDGET

Financial Plan	2015/16 £m	2016/17 £m Indicative	2017/18 £m Indicative
Income			
GIA Baseline	59.0	59.0	59.0
DEL/AME non cash funding	22.7	22.7	22.7
Scottish Government Total	81.7	81.7	81.7
European Funds	5.0	5.0	5.0
Capital Receipts	5.0	5.0	5.0
Revenue Receipts	6.0	6.0	6.0
Total Income	97.7	97.7	97.7
Investment			
Supporting Businesses and social enterprises	12.2	12.2	12.2
Strengthening communities and fragile areas	8.1	8.1	8.1
Developing growth sectors	15.0	15.0	15.0
Competitive and low carbon region	17.0	17.0	17.0
Development support	5.0	5.0	5.0
DEL/AME non cash expenditure	22.7	22.7	22.7
Operating costs	14.5	14.5	14.5
Strategic forum savings target*	3.2	3.2	3.2
Total Investment	97.7	97.7	97.7

NOTES

The budgets beyond 2015/16 are not confirmed and therefore shown as indicative based on previous spend. There will be a spending review in 2015/16 which will inform the budget setting process.

*The Strategic Forum Savings target has not been set beyond 2015/16, and is shown at current levels for budget purposes.

Investment budget allocations are indicative only. HIE manages its budgets in a flexible manner to enable us to react to challenges and opportunities which may arise.

Additional funds are being provided to HIE for projects such as digital infrastructure, Wave Energy Scotland, Community Broadband Scotland and the Scottish Land Fund.

DELIVERING BEST VALUE

HIE’s approach to delivering best value draws on best practice models and guidance (including Best Value 2 and Corporate Expectations), and demonstrates alignment with requirements, whilst remaining focused on outcomes for HIE.

GOVERNANCE ENVIRONMENT

HIE’s working environment is one where creativity and outcome focused delivery are underpinned by high standards of governance and accountability. HIE’s organisational culture empowers staff to be innovative and take intelligent risks in pursuit of our priorities and wider ambitions for the region.

The key components of HIE’s governance arrangements are:

- A strong accountability framework, including clear roles and responsibilities and delegated authority arrangements
- Transparent decision-making processes which are supported by a clear evidence base
- Assurance arrangements which provide evidence that governance and control arrangements are operating effectively
- Comprehensive risk management arrangements which support implementation of HIE’s risk management strategy
- Development of robust evidence, providing the HIE Leadership Team and Board with integrated performance, risk and financial management information

BUSINESS IMPROVEMENT

HIE has a single strategic programme of continuous improvement activity aimed towards ensuring that, internally and externally, we are regarded as an organisation which delivers best value, inspires innovation and achieves successful outcomes.

This programme is refreshed annually with the focus on continued momentum around delivery of HIE’s outcomes; consolidation of the good practice which is now a key part of the culture of HIE, and focusing activity around driving further improvement opportunities in key areas, including:

- Developing a ‘digital first’ approach for all our services to improve organisational efficiency and effectiveness and support the achievement of better outcomes for customers – this will include providing free public WiFi in all our premises
- Increased focus on proactive and transparent public reporting which will meet customer expectations, ensure public accountability and provide access to regional opportunities
- Pro-active engagement with our customers to ensure their expectations are met both now and in the future
- Encouraging innovation and using this to inform continuous business improvement

The key themes of HIE’s approach to business improvement are organised around the following defining characteristics:

C **CULTURE** of knowledge sharing and collaboration

R **RESOURCES** allocated and utilised effectively

E **ENCOURAGING** a governance culture supporting innovation, ambition and intelligent risk taking

A **APPROPRIATE** project appraisal and project management solutions

T **TIMELY** engagement with the right people to agree outcomes and creative solutions

I **INFORMATION** systems and communication infrastructure, supporting HIE’s delivery, performance reporting and access to information

V **VALUING** the customer experience

E **EMPOWERED** confident staff with relevant skills

These characteristics are underpinned by:

STRONG LEADERSHIP

CLEAR VISION



St Catherine's Bay, Stronsay, Orkney

OUR PEOPLE

Our people agenda provides the strategic context and direction for our workforce development, focusing on key drivers of organisational performance:

- Creating and sustaining a high performance culture through what we do and how we do it
- Creating an effective leadership that supports innovation and creative delivery
- Encouraging effective and collaborative team working
- Ongoing commitment to paying the Living Wage to all our employees
- Demonstrating a commitment to the future workforce through Investor in Young People accreditation
- Setting the standard on workforce planning through the development of progressive workplace policies to deliver in an ever changing environment
- Building capability through a learning and development strategy that enables flexibility, collaborative delivery of outcomes, succession planning and makes the most of people's talents

EFFECTIVE COLLABORATION

Working with strategic partners in central and local government and other public agencies on a Team Scotland basis will continue to be a priority. HIE makes effective contributions to Community Planning Partnerships across our region, and is involved in many pan-Scotland initiatives including the Scottish Land Fund, Community Broadband Scotland, and the Scottish Business Portal. We are also active participants in the Strategic Forum, Convention of the Highlands and Islands and in area initiatives such as the Caithness and North Sutherland Regeneration Partnership. In addition we will work with Bord na Gaidhlig to develop a new Gaelic Development Plan to ensure our ambitions for Gaelic remain aligned with our wider aspirations to increase competitiveness and tackle inequality.

We have established close relationships with Business Gateway in each local authority area, including co-location in many cases, and will continue to foster collaboration for the benefit of Highlands and Islands businesses. We are currently working with Skills Development Scotland to develop and implement a Regional Skills Investment plan, and with the Scottish Funding Council to maximise the value to the region of the growing number of Innovation Centres in Scotland.

In partnership with UHI and other organisations, we are building new, shared premises at Inverness Campus, creating a unique multi-user facility with significant potential to further collaboration in enterprise, education and research.

EQUALITY OUTCOMES

We recognise the benefits of a diverse workforce and aim to make our services and assistance available to all. We are committed to maintaining a culture which recognises and rewards individual achievement and merit, regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation, as well as working pattern, full-time or part-time, and contract status, permanent or fixed term.

HIE proactively considers equality when carrying out work by mainstreaming it into our core business. We have produced an equality outcome statement which articulates the priority areas where evidence suggests we need to target our resources to make our society a fairer and more equal one. There will be a particular focus on increasing the number of young people moving into suitable employment in the Highlands and Islands as a result of HIE's influence and involvement, and a focus on increasing the number of women in leadership roles in the Highlands and Islands. We will sign up to the Partnership for Change

Pledge, setting a target of ensuring a 50:50 gender balance on our Board by 2020. We will also pay the living wage to all our employees and seek to extend that pledge to all contracts delivered by suppliers on our behalf. As an accredited investor in young people we will play our part in implementing the findings of the Commission for Developing Scotland's Young Workforce.

We will:

- Ensure that HIE's working environment is one where creativity, innovation and outcome focused delivery are underpinned by high standards of governance and accountability
- Continue momentum around delivering the outcomes attached to the CREATIVE characteristics
- Be an exemplar organisation in embracing digital opportunities, increase openness and transparency, and ensure we meet the expectations of our customers
- Effectively collaborate with partners to ensure that we maximise opportunities to realise regional outcomes
- Optimise funding to deliver against our planned priorities
- Implement a workforce development strategy which enables an empowered, flexible and responsive workforce to deliver our Operating Plan
- Optimise use of performance management information and research findings to measure impact and inform future policy and investment priorities

www.hie.co.uk
info@hient.co.uk

Published by Highlands and Islands Enterprise.

All images are copyright Highlands and Islands Enterprise.
All written material Crown Copyright.



Ambitious for Scotland
Àrd-amasach airson Alba



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean