

BOARD MINUTE

26 MAY 2025

Highlands and Islands Enterprise

APPROVED



BOARD MEETING
COINNEAMH BÙIRD

MINUTE OF THE HIE BOARD MEETING HELD ONLINE ON MONDAY 26 MAY 2025, STARTING AT 14:00

PRESENT

Alistair Dodds (*Chair*)
Angus Campbell (*Deputy Chair*)
Stuart Black (*Chief Executive*)
Allan Clow
Simon Cotton (items 1.1 – 1.3)
Freda Newton
Keith Nicholson
Ailsa Raeburn (items 1.1 – 1.3)
Calum Ross
David Wilson

IN ATTENDANCE

Mary Bowman	Shadow Board member
Sandra Dunbar	Director of Corporate Services
Rachel Hunter	Director of Enterprise and Community Support (items 1.1 – 1.3)
Martin Johnson	Director of Strategy and Regional Economy (items 1.1 – 1.3)
Karen Moncrieff	Director of Human Resources
Joanna Peteranna	Director of Area Operations (items 1.1 – 1.3)
Lorna Gregson-MacLeod	Head of Planning and Partnerships (items 1.1 – 1.3)
[Name removed for data protection]	Corporate Planner (items 1.1 – 1.3)
Janie Sheridan	Head of Business Improvement, item 1.1 – 1.3
Chris Roberts	Head of Communications

1.1 Welcome, apologies and interests

The Chair welcomed everyone to this extra meeting of the HIE Board, which had been arranged to consider a group of matters that were time-sensitive. Melanie Collett, Anna Salgado, David Oxley and the Scottish Government Enterprise Sponsorship team were unable to attend.

Ailsa Raeburn and current HIE employees who were members of the company's superannuation scheme had an interest in item 1.4. It was agreed that the Director of Enterprise and Community Support, Director of Strategy and Regional Economy and Director of Area Operations would leave the meeting before this item was discussed. The Chief Executive, Director of Corporate Services and Director of Human Resources could take part in discussion but would leave when it was time for the Board to make its decision.

1.2 End-year review 2024/25

The Head of Planning and Partnerships presented the draft end-year review 2024/25, including a performance summary, a report against operating plan commitments and area team reports.

Performance had been very positive, with 19 of 21 primary measures met or exceeded. Outcomes had been delivered through a broad set of investments and were not dominated by any significant outlier. An improved spread of investment across the region had been achieved and 20% of the value of financial approvals had gone into inclusive growth focus areas (IGFAs).

Although the overall measures for productivity and average wages had not been met, both targets had been exceeded in IGFA's. Greater emphasis had been placed on direct delivery by HIE's staff resource, thereby maximising the use of in-house expertise and alleviating pressures on a restricted revenue budget. 100% of HIE's financial investment to improve housing supply had been in IGFA's.

Board members welcomed the review, highlighting several issues including target setting for average wage levels and intervention rates in focus areas. It was also important for the report to make it clear that HIE's investment per head of population was higher in these areas.

The Head of Planning and Partnerships explained that targets for average wage levels in focus areas were based on data from the Office for National Statistics and reflected the fact that average wages in these areas tended to be lower than for the region as a whole. Intervention rates were tailored to meet the needs of focus areas and efforts were being made to use these as a means of stimulating business investment.

In discussion, the Chief Executive confirmed that plans were under way to extend a pilot programme that had run in Moray and Caithness and Sutherland to introduce net zero conditionality. Board members had found the area reports helpful, reflecting the diversity of local conditions and actions across the region, and noted that the Chief Executive would discuss the performance of individual teams with the respective area managers.

A specific issue was Scottish Government funding for local development officers, which was currently awarded on an annual basis. The Board believed that funding over a longer timescale would make these posts more attractive and enable community organisations to retain staff who were engaged in important development activities.

In response to a question on average wages in sectors that were traditionally lower-paid, the Head of Planning and Partnerships confirmed that this would be examined and included in trend analysis that was planned to be reported to the Board at its next scheduled meeting on 1 July. The importance of social enterprises was also acknowledged.

Summing up, the Chair expressed the Board's appreciation to the Planning and Partnerships team and to employees across HIE for their work throughout the year which had resulted in an impressive set of outcomes reflecting benefits delivered across all parts of the region.

1.2.1 Draft targets 2025/26

The Head of Planning and Partnerships presented a set of revised measures that HIE would aim to achieve in financial year 2025/26.

Following discussion of draft measures at the Board meeting on 29 April, several targets had been revised. Measures relating to productivity, innovation, new products and services, and net zero action plans had all been raised, while the target for average wage of jobs supported by HIE would remain at the same level as the previous year, reflecting current economic conditions.

The Chief Executive confirmed he was content with the revised set of measures, which had been discussed in detail by HIE's Leadership Team. The Board approved the revised measures.

1.3 Best Value report 2024/25

The Head of Business Improvement presented a report summarising the organisation's performance against its Best Value plan 2024/25.

Providing a framework for business improvement activity, the plan had been refined to bring a sharper focus on efficiency and effectiveness measures to enable HIE to sustain delivery within a reduced budget environment.

Progress was described against key areas: customer reach; customer experience; financial spend and income; service quality; data quality and use, and project management and delivery.

Significant progress had been made with most areas in the plan and performance was encouraging, although consideration was being given to changing fixed targets to ranges in the coming year. A review of governance groups had reinforced structure around the ongoing capture and reporting of efficiency savings and income generation. The refreshed Financial Saving and Efficiency Forum, and the Information, Security and Systems Governance Group were playing key roles. A review of business continuity and disaster recovery arrangements was under way.

In discussion, members expressed some concern that the 'hockey stick' effect of a high proportion of HIE spend being made at the end of the financial year continued to present a challenge, while also noting that this had been addressed effectively in the year that had recently concluded. In response to a question, the Head of Business Improvement confirmed that she had liaised with Scottish Enterprise and South of Scotland Enterprise to share and compare good practice and would check with them again to see whether benchmarking data was available. It was also noted that the MyHIE system enabled HIE to access a large volume of data for the Best Value report without putting a strain on staff resources.

As the meeting was running slightly over time, Simon Cotton had to leave.

The Board thanked the Head of Business Improvement for a positive set of outcomes and a very helpful report that provided important factual information to enable HIE to measure and demonstrate its commitment to efficiency and best value to the Scottish Government and the wider public.

Janie Sheridan left the meeting.

1.4 HIE superannuation scheme

Ailsa Raeburn, Rachel Hunter, Martin Johnson and Joanna Peteranna left the meeting.

The Director of Corporate Services and the Director of Human Resources reported that, following presentation of an update paper to the HIE Board in February 2025, HIE had been working with the trustees of the HIE Superannuation Scheme to finalise the triennial actuarial valuation as at 5 April 2024 and agree a future contribution and deficit recovery plan.

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1.5 Any other business

There was no other business.

Chris Roberts
Head of Communications
26 May 2025

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