

BOARD MEETING
COINNEAMH BÙIRD

MINUTE OF THE HIE BOARD MEETING HELD ON TUESDAY 25 JUNE 2019
AN LÒCHRAN, INVERNESS

PRESENT:

- Lorne Crerar (Chair)
- Carroll Buxton
- Amanda Bryan
- Angus Campbell
- Paddy Crerar
- Alistair Dodds
- Ailsa Gray
- Donald MacRae
- Robert McIntosh
- Freda Newton
- Belinda Oldfield
- Calum Ross

IN ATTENDANCE:

Morven Gibson	Shadow Board Member
Nick Kenton	Director of Finance and Corporate Services
Sandra Dunbar	Director of Business Improvement and Internal Audit
Rachel Hunter	Director of Service Delivery
[Name redacted]	Deputy Director, Business Engagement and Regional Economic Development, Scottish Government
[Name redacted]	Head of Better Regulation and Enterprise Sponsorship, Scottish Government
Adrian Kitson	Head of Executive Support
Elaine Jamieson	Head of Food and Drink, item 3.1
Catherine Hawick	Development Manager, item 3.1
Rachel Mackenzie	Area Manager Innse Gall, item 3.2a
Bill McMillan	Head of Business Growth Innse Gall, item 3.2a
Eann Sinclair	Area Manager Caithness and Sutherland, item 3.2b
Julie McGee	Senior Development Manager Caithness and Sutherland, item 3.2b
Dave MacLeod	Head of Property and Infrastructure, item 3.3
Ruaraidh MacNeil	Project Director Inverness Campus, item 3.5a and 3.5b
Greg Youngson	Property Development Manager, item 3.5a and 3.5b
Gillian Galloway	Head of Innovation, item 4.2
Steven Hutcheon	Acting Regional Head of Technology and Innovation, item 4.2
Zoe Laird	Regional Head of Communities Infrastructure, item 4.3
David Langston	Wave Energy Scotland Programme Manager, item 4.4

1 STANDING ITEMS

CUSPAIREAN COTHROMACH

1.1 Welcome and apologies

The Chair welcomed everyone to the meeting. Apologies were noted for Mary McAllan, Director of Economic Development, Scottish Government; David Oxley, Director of Business Growth; Douglas Cowan, Director of Communities and Place, and Karen Moncrieff, Director of Human Resources.

1.2 Scottish National Investment Bank (SNIB)

The First Minister's Strategic Adviser on the establishment of the Bank and the Strategic Advisor SNIB joined the meeting to provide an update to the Board on the establishment of the Bank. The key points from the presentation are as follows:

Paragraph removed in the interests of the effective conduct of public affairs.

1.3 Declarations of interest

The Chair noted that Freda Newton and Amanda Bryan had identified an interest in relation to Item 3.2a Stornoway Port Authority – Deep Water Port and 3.2b Ola Pier Redevelopment and agreed that these would be covered prior to the items being discussed.

Alistair Dodds identified a non-financial interest in relation to the University of the Highlands and Islands (UHI). UHI is mentioned in relation to Item 4.5 Centre for Health Science Sale, it was noted that Alistair is a HIE Representative on the Court of the University of the Highlands and Islands and it was agreed that there was no Conflict of Interest.

Angus Campbell identified an interest in relation to Item 4.1 Space Hub Sutherland, Angus is Deputy Chair of Scottish Natural Heritage (SNH) and it was agreed that there was no Conflict of Interest.

1.4 Minute of Board meeting held on 30 April 2019

The minute was approved with some amendments.

Item 1.2 Declarations of Interest – updated to include “Angus Campbell noted an Interest in item 4.2 Space Hub Sutherland. It was noted that Angus is Deputy Chair of Scottish Natural Heritage (SNH) and it was agreed that there was no conflict of interest. Rachel Hunter is conflicted in relation to Space Hub Sutherland and it was agreed that she would leave the room when this item is discussed”.

Item 1.5 Chair and Chief Executive update - amended the reference to the “Deputy First Minister” and changed this to the “Chair”.

Item 2.3 End Year Review - updated the reference to “next Board meeting” to read “future Board meeting”.

Item 4.2 Space Hub Sutherland - amended “Launch Site Operators (LSO's)” to “Launch Service Providers (LSP's)”.

1.5 Matters arising from the minutes and Action Grid

There were no matters arising from the minute that were not covered in the agenda items for the meeting.

1.6 Chair and Chief Executive update – June 2019

The Interim Chief Executive reported that Highlands and Islands Enterprise (HIE) hosted a workshop in Inverness on Wednesday 29 May to identify opportunities for the development of hydrogen and fuel cell technologies in the region. The event was successful and showcased a number of hydrogen projects in the Highlands and Islands. Over 30 Highlands and Islands businesses attended.

Global Energy Group has won a contract estimated at £10 to £12 million for the Moray East Offshore Wind farm to provide the services of the Nigg Port for receipt of completed jacket structures to be installed in the Moray Firth.

Both Cairngorm Mountain and Space Hub Sutherland continue to take up much staff time and HIE has engaged with Fergus Ewing (Cabinet Secretary Rural Economy) and Ivan McKee (Minister for Trade, Investment and Innovation) on these projects.

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

HIE launched its 2019-22 Strategy and one-year operating plan jointly with Scottish Enterprise on Tuesday 11 June. There are a number of lessons to be learned from this approach and these will be discussed at the Strategic Board meeting which is taking place on Thursday 24th June.

HIE staff attended the Building Scotland's Future Together event organised by Scottish Enterprise. Thirty five HIE staff attended the event which provided a good opportunity to meet other organisations and individuals that we are collaborating with.

Paragraph removed in the interests of the effective conduct of public affairs.

The Chair provided an update on various events he had attended since the last meeting. The opening of Solasta House, a new £4.5m life sciences building which was officially opened at Inverness Campus by the Deputy First Minister Mr John Swinney had been a tremendous event. The Strengthening Communities conference which took place in Aviemore had been a well attended inspiring event with good feedback.

The Interim Chief Executive and the Deputy Chair are attending the Strategic Board meeting in Aberdeen later in the week.

With regards the Strategic Board, the Chair updated that he had recently chaired a meeting of the five Agency Chairs, Highlands and Islands Enterprise, Scottish Enterprise, South of Scotland Enterprise, Skills Development Scotland and the Scottish Funding Council. It was further agreed that the three Chairs of the Economic Development Agencies would meet followed by meetings with all five Chairs and then Chief Executives. The new Chair of Scottish Enterprise is expected to be announced imminently with the recruitment for the South of Scotland Enterprise Chair starting.

Paragraph removed in the interests of the effective conduct of public affairs.

The Chair also provided an update in relation to his forward planning for his retirement from the Board in February 2020. Extensions of two years have been requested for three Board members, Alistair Dodds, Donald MacRae and Paddy Crerar which will take their terms to 31 March 2022. The recruitment for the Chair will commence during the summer. The Risk and Assurance Committee is a settled well developed group which together with a long standing Board will provide continuity for the new Chair.

Appraisals will be scheduled for September and October and will provide an opportunity for any issues to be raised.

Following the presentation from [name redacted] on the creation of the Scottish National Investment Bank (SNIB), the Chair requested that an update be provided to a future Board meeting on possible SNIB projects.

2 RESOURCES AND GOVERNANCE **GOIREASAN IS RIAGHLACHAS**

2.1 Corporate Update

The Interim Chief Executive provided an update on the 3 year cumulative measures which have been aligned with partner agencies. Performance has been good to date following a period of increased spend in the first couple of months of the new financial year.

The Board asked if the measures were set by the Strategic Board. It was confirmed that the setting of measures was down to each individual agency.

2.2 Financial Statement to 31 May 2019

The Director of Finance and Corporate Services presented a report summarising the financial position for the first two months of the financial year 31 May 2019.

Section removed in the interests of the effective conduct of public affairs

2.3 Risk Register

The Director of Business Improvement and Internal Audit provided a brief update highlighting the key themes identified. A core issue identified and central to the register is resourcing challenges. The support provided by the Board sub-group on Cairngorm and Space was noted and welcomed and any additional support available from Scottish Enterprise or the Scottish Government would be welcome. It was also noted that Finance resource had also been mentioned at the recent Risk and Assurance Committee meeting.

The Board also noted that additional risks had been added to the register – 1) IS Business as Usual to ensure maximum benefit from EIS and 2) Cyber Security.

2.4 Risk and Assurance Committee draft minute, 4 June 2019

The Chair of the Risk and Assurance Committee provided an update to the Board on the meeting held on 04 June 2019. Items covered included Cairngorm and Space, Health and Safety Committee assurance report, External Review of Internal Audit, Audit Scotland 2018/19 management report, Pension update and Procurement annual report.

It was noted that the external review of the internal audit service (this review takes place every five years) had provided assurance on the work of the team. The Audit Scotland management report had identified some issues relating to transparency and the need to ensure Board and Risk and Assurance Committee minutes were published timeously as well as up to date Registers of Interest information for Board members on the HIE Website. *[Sentence removed in the interests of the effective conduct of public affairs]*

The Procurement annual report had identified a significant improvement in the Procurement and Commercial Improvement Programme (PCIP) score for HIE procurement activity which was very positive. *[Sentence removed in the interests of the effective conduct of public affairs]*

The customer feedback report was noted by the Committee.

2.5 Risk and Assurance Committee Annual Report

The Chair of the Risk and Assurance Committee confirmed that the focus of the Committee was on high risk items, the work of the Business Improvement and Internal Audit team and the Committee provides assurance to the Board. The Chair of the Committee also thanked Senior Managers, Chief Executive and Interim Chief Executive for their attendance at the meetings and to former members of the Committee Donald MacDonald and Ailsa Gray for their valued input. This was echoed by the HIE Chair who thanked the committee for the assurance given.

2.6 Authorised Signatory Update

This paper was endorsed by the Board.

3 INVESTMENT DECISIONS CO-DHÙNAIDHEAN AIRGEAD-TASGAIDH

3.1 Scottish Aquaculture and Innovation Centre – Phase 2

Elaine Jamieson and Catherine Hawick joined the meeting.

The Head of Food and Drink and the Development Manager joined the meeting to present a paper seeking approval for HIE grant in aid (GIA) funding of up to £2 million towards a total project cost of £13.5 million in favour of the Scottish Aquaculture Innovation Centre (SAIC) for a second phase of activity (Phase 2). This is a good example of collaboration being part of a joint public-sector funding package of £10 million split across the partners as follows: 1) Scottish Funding Council (SFC) £7.5m; 2) HIE £2.0m and 3) Scottish Enterprise (SE) £0.5m. This is likely to be HIE's largest investment in the aquaculture sector over the next 5 years and provides an opportunity to influence and support this valuable sector, creating economic and social prosperity in the region for businesses and communities.

The aim of the Innovation Centre (IC) programme is to deliver new economic benefits to Scotland through increased levels of collaboration between businesses and academia which target business or sectoral growth and / or improved delivery of public services. SAIC, one of eight publicly funded Innovation Centres (ICs) in Scotland, launched in June 2014. Phase 1 runs over 5 years to 31 July 2019 (with an option to extend to 31 December).

Aligned to the aspirations of the Strategic Board, the funding partners have a shared understanding of the forward vision and the strategic aims and objectives for the next phase of SAIC. The multi-partner approach includes appraisal of the case for further public investment, alignment of delivery with economic development priorities, governance, performance reviews and ongoing monitoring and evaluation. Fundamental to this multi-partner approach is the opportunity to ensure strong alignment of public investment to achieve cost effective and efficient solutions in advancing Scotland's innovation performance. *[Sentence removed in the interests of the effective conduct of public affairs]*

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

The Board approved the recommendation for funding.

Elaine Jamieson and Catherine Hawick left the meeting.

3.2 HIE Region Ports Infrastructure Investments – A Strategic Approach

As noted under Item 1.3 Declarations of Interest, the Chair noted that both Freda Newton and Amanda Bryan had raised potential conflicts in relation to Items 3.1 and 3.2. Freda Newton had identified that Jacobite Cruises were a member of Cruise Scotland and data from Cruise Scotland had been used in both papers. It was agreed

that there was no conflict of interest. Amanda Bryan had identified a possible conflict of interest as Chair of the Crown Estate Scotland in relation to a future funding initiative. It was agreed that there was no conflict of interest.

The Board noted a paper providing the strategic context for HIE ports infrastructure investments in advance of the presentations by HIE staff.

3.2a *[Item removed in the interests of the effective conduct of public affairs]*

3.2b Ola Pier Redevelopment

Eann Sinclair and Julie McGee joined the meeting.

The Area Manager for Caithness and Sutherland and the Senior Development Manager for Caithness and Sutherland area team joined the meeting to present a paper seeking financial grant-in-aid totalling up to a maximum of £3 million or 17.6% of eligible costs (whichever is lower) to this phase of the wider development programme by Scrabster Harbour Trust (SHT). This will be the final element of a funding package in support of project construction costs (on a design and build basis) of £17 million. This project (Phase II) forms the second part of a wider harbour Master Plan consisting of a phased development programme commitment by SHT to invest in infrastructure and services to support Caithness and North Sutherland's future.

The harbour developments have been planned to facilitate key opportunities that have been identified for Scrabster harbour over the next five to ten years, and the funding will enable the redevelopment of the existing St. Ola pier to create further deep water infrastructure to meet expected demand from Cruise ships, given the predicted future growth in demand for cruises around Scottish coasts and supply vessels servicing the growing activity in the West of Shetland oil & gas fields, and longer-term opportunities arising from future development of fixed/ floating offshore wind.

Expected economic impacts to the local and regional economy supported by the redevelopment of the Ola Pier – (cruise ships and oil & gas activity) by year 3 (from the end of construction) would include, 1) £780,000 increase in SHT turnover; 2) £1.735m cumulative increase in SHT turnover; 3) 2 FTE jobs directly supported at SHT – (Port Operatives with average wage of £22k); 4) 19 FTE jobs in total supported in Highlands & Islands; 5) Average wage per FTE of £24k in H&I; 6) Total GVA (£000) = 727 Caithness and Sutherland, 902 Highlands and Islands and 1,040 (Scotland) and 6) 7 FTE jobs supported in C&S during construction.

Consistent with previously funded enabling port infrastructure projects, the direct economic impact to SHT is limited. However, as calculated in the EIA, and in line with the opinion of HIE staff, the wider economic benefits to the area are more significant and include enhanced infrastructure to enable and strengthen multiple sectors including tourism, oil & gas and offshore renewables and increased capacity leading to economic growth and inward investment.

The Board were keen to understand if the aspirations from the phase 1 development had been met. It was reported that renewable energy had not returned as much as originally thought whereas oil and gas has developed and been a success and the multi-use aspect of the port had helped with the success. There is potential use for floating offshore wind however this could be 10 years away and hence the importance of having infrastructure in place.

The Board approved the proposal in principle with the following pre-conditions for funding. 1) Demonstration that all funding is in place to complete the development; 2) Delivery of monthly project cashflows – following completion of the tender process and receipt of a banking offer with detailed terms and conditions; 3) Confirmation of agreement of eligible costs for all funders; 4) Regular progress updates with all funders; 5) Demonstration that any statutory consents required have been obtained; 6) Demonstration of title to pier/harbour and sea-bed lease for extension of pier and 7) Drawdown procedures agreed with all funders.

A letter, indicating the Board's decision to be sent to the client indicating "approval in principle" and confirming the above pre-conditions.

Eann Sinclair and Julie McGee left the meeting.

3.3 Cairngorm

Dave MacLeod joined the meeting.

The Director of Business Improvement and Internal Audit and the Head of Property and Infrastructure presented a paper for the Board to consider the HIE business case and associated funding relating to Cairngorm Mountain and HIE's Operating Subsidiary Cairngorm Mountain (Scotland) Limited (CMSL) for the year to 31 March 2020. The paper proposes actions and funding to move to the next stage of articulating a vision and masterplan for Cairngorm and to put in place a solution to address the current issues affecting the funicular.

The business case should be seen in the context of the following. 1) The importance of securing a solution for the funicular railway which has been out of operation since October 2018 and which is regarded as having a vital role in enabling all-season access to the mountain; 2) The delivery of a solution for the funicular is likely to extend over more than one financial year with significant cost being required during 2019/20 on concluding design, appraising options, statutory consultation and consents, planning, business case development, procuring a contractor and moving into delivery; 3) Being ambitious and creating a long-term vision for Cairngorm supporting a viable, sustainable business model that attracts visitors all year round and enables the mountain resort to maximise its economic impact; 4) Recognising that securing a solution for the funicular, developing a master plan, appraising potential investment opportunities and undertaking the required appraisal and business case development will take time and require significant staff and financial resource in 2019/20 and beyond; 5) The ongoing requirement to support HIE's new Operating Subsidiary at Cairngorm, CMSL, to maintain operations and add to the range of reasons to visit Cairngorm, particularly while the funicular is not operating; 6) Recognising the challenges experienced by all mountain resorts in Scotland and Cairngorm's importance to the sector; 7) As custodian of the mountain, HIE's commitment to protecting the natural environment of Cairngorm; 8) The requirement for significant "business as usual spend" to address dilapidations, improve waste water treatment, power capacity (both to the mountain and on the mountain).

Approval of this business case for funding to 31 March 2020 will enable HIE to continue to progress and will enable the following positive benefits: 1) Secure business continuity and current employment at CMSL; 2) Avoid any further damage to the value and brand of Cairngorm Mountain asset; 3) Demonstrate positive action and a confidence in the product, sector and local economy; 4) Minimise negative impact on local businesses, communities and wider supply chain; 5) Support HIE's ability to re-establish a sustainable operating model for the future; 6) Avoid a mothballed facility which would be challenging and significantly more expensive to re-establish; and would result in significant negative reputational and economic impact and potentially trigger a S50 decommissioning obligation; and 7) Provide a platform for consideration and delivery of an ambitious masterplan.

It was noted that the lack of snow had impeded business and had contributed to the challenging financial position. *[sentenced removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity]*. HIE would also provide CMSL with access to support through Account Management. Pending implementation of the proposed funding strategy an updated letter of assurance extending the current assurance to the end of July will be issued and also confirmation that the current CMSL Board appointments would be extended by a further six months. This will provide continuity and assurance that the company is not trading insolvently.

It was noted that monthly meetings would be taking place to manage KPI's and it was further agreed that the Board sub-group would be provided with Management Accounts and KPI's.

The Chair updated that he had met with the Chair of CMSL confirming that the sub groups were not an additional approval layer but were to provide support to the HIE Executives. CMSL manage operations on the mountain and are independent of HIE with HIE exercising caution not to stray into Shadow Director issues.

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

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

Freedom of Information (FOI) and MSP queries are ongoing. *[Paragraph removed in the interests of the effective conduct of public affairs].*

It was also noted that Audit Scotland have indicated that the Auditor General intends to prepare a section 22 report on Cairngorm, this is a report prepared to be presented alongside HIE's accounts which will be available for the Risk and Assurance Committee meeting in August. The Section 22 report goes out with the Annual Report and Accounts to Parliament and is likely to be the subject of Committee scrutiny in the Autumn.

Audit Scotland have also indicated that a Section 23 review may also be undertaken, this would follow on from the Section 22 review and is a more in-depth review that will take longer and be likely to complete this calendar year.

The Head of Property and Infrastructure provided an update on the position with the Funicular Railway.

[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].

The Board thanked The Director of Business Improvement and Internal Audit and the Head of Property and Infrastructure for their update noting the huge amount of work that is going into this and the enormous pressure on Leadership Team. The Chair highlighted that a further update would be provided to the Risk and Assurance Committee in August as well as the ongoing updates to the regular sub-group meetings held on Friday afternoons, and highlighting that any Board members were welcome to join these meetings.

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

Dave MacLeod left the meeting.

3.4 Glencoe Mountain Limited – Project Amendment Paper

The Director of Service Delivery presented a paper seeking to amend an original approval by the Board in 2014 totalling £1,417,500 towards ski tow infrastructure, snow making equipment and equipment garage and ticketing facilities. The proposed amendment requests an additional £92,000 in capital funding for this project to enable the completion of the Rannoch Chairlift over the summer of 2019 in time for the 19/20 season. This will significantly increase the uplift on the mountain and will enable them to retain experienced engineering staff who will complete the work on the hill. *[sentence removed due to commercial sensitivity].*

The Board approved the recommendation for the additional funding.

3.5 Project Update Inverness Campus

Ruaraidh MacNeil and Greg Youngson joined the meeting.

The Project Director Inverness Campus and the Property Development Manager joined the meeting to present papers on the proposed lease to CityFibre Limited and *[removed in the interests of the effective conduct of public affairs]*.

3.5a Proposed Lease to CityFibre Limited

The Project Director Inverness Campus presented a paper seeking HIE Board approval to lease 400 sqm of land to CityFibre for 20 years at a rental of *[removed due to commercial sensitivity]*, and to allow access to Campus ducting through wayleaves. A positive decision by HIE for CityFibre to lease land on Inverness Campus will see detailed planning of the Inverness network taking place in the second half of 2019, with construction starting in early 2020.

The Highland Local Full Fibre Network (LFFN) Partnership Project will see the installation of gigabit capable connections in 152 public sector buildings located in Fort William, Inverness, Thurso and Wick. It is being funded through a successful bid application to the Department of Digital, Culture, Media and Sport (DCMS) full fibre challenge fund (£4.3m) along with capitalised savings from partners (£2.849m).

The Board approved the recommendation made to lease the land to CityFibre Limited.

3.5b *[Item removed in the interests of the effective conduct of public affairs].*

Ruaraidh MacNeil and Greg Youngson left the meeting.

4 UPDATES **CUNNTASAN AS ÙR**

4.1 Space Hub Sutherland

Rachel Hunter left the room while this item was discussed.

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

The Chair thanked all those involved for their ongoing input and support to this project.

Ailsa Gray left the meeting and Rachel Hunter re-joined the meeting.

4.2 Innovation Update

Gillian Galloway and Steven Hutcheon joined the meeting.

The Head of innovation and the Acting Regional Head of Technology and Innovation presented a paper and delivered a presentation to provide the Board with an update and overview of the progress since the last update to the Board. This included two case studies and outlined how HIE's intervention could be anything from light touch to in depth support to business or social enterprise and how activity was aligned with innovation centres.

The Board were interested to know how someone contacting HIE about innovation would receive a response. The Head of Innovation explained that HIE has now moved to an online form to allow a diagnostic prior to a response being made, the link was available by undertaking a Google search on HIE Innovation and this would take individuals to the relevant HIE Website page.

The Board noted their appreciation of the paper and the presentation delivered for providing a good update on the progress made in the delivery of innovation support in the Highlands and Islands.

Gillian Galloway and Steven Hutcheon left the meeting.

4.3 Strengthening Communities Conference

Zoe Laird joined the meeting.

The Regional Head of Communities Infrastructure presented a paper updating the Board on the initial outcomes, feedback and lessons learned from the Strengthening Communities Conference Scotland '19 which was held over two days (27th and 28th May 2019) in Aviemore. Overall the event was successful and well received by the circa 250 attendees. The conference report will ensure the intelligence gathered at the conference can be made easily accessible for future use by all stakeholders.

Strengths were the conference's focus on using experienced community organisations, with on-the-ground experience, as speakers, marketplace stall holders and delegates. Utilising international speakers with similar experiences opens the opportunity for knowledge sharing with solutions which potentially haven't been considered from a Scottish perspective yet. Tying in policy makers, Scottish Government and community organisations allows a more integrated opportunity for dialogue and influence.

Feedback indicates there is an appetite for future conferences as well as demand for more localised regional networking opportunities. Lessons learned are being captured from staff involved in the conference organisation as well as from the delegate, marketplace and speaker feedback. These lessons will be incorporated into planning any future events.

Board members who had attended the event commented on the good workshops and discussion as well as the contribution and collaboration with other organisations. The Board welcomed the update.

Zoe Laird left the meeting.

4.4 Wave Energy Scotland – Update on Progress June 2019

David Langston joined the meeting.

The WES Programme Manager presented a paper providing an update to the Board on progress and the delivery of projects within Wave Energy Scotland (WES). Confirming that WES spent its full annual budget allocation of £10.0m last year and has budget of £10.0m per annum over the next two years. An updated business plan will be presented to the WES Board in the near future.

Key activities during the past six months have focused on 1) Selection and award of projects moving from Stage 2 to Stage 3 of the Advanced Control Systems programme (CS); 2) Progression of the projects in Stage 3 of the Novel Wave Energy Converter programme (NWEC); 3) The commencement of EU-funded OceanSET project; 4) Working with the Scottish Government in the assessment and selection of applications to the Saltire Tidal Energy Challenge Fund and 5) Attendance at key conferences and events and hosting of the WES Annual Conference.

The focus of activity and next steps over the coming months will be in the following areas.

1) Implementation of the Quick Connect System Programme; 2) Development of a commercialisation route map with the Advisory Group; 3) Testing of Stage 3 PTO projects in real sea conditions; 4) Preparation and selection of the Materials Programme Stage Gate; 5) Continue with the work on EU projects: DTOcean+ and OceanSET; 6) Continued engagement with UK, European and International partners; 7) Preparation and submission of a bid to the JA-3 Call on an EU wide PCP model and 8) Continued collaboration with SG in relation to Saltire Fund applications.

The Board thanked the Programme Manager for the positive and upbeat report congratulating WES on its success and noting that it was great to see the sector coming into its own.

David Langston left the meeting.

4.5 Centre for Health Science Sale - Update

The Director of Finance and Corporate Services updated the Board on the Scottish Government's (SG) view relating to the capital receipt from the potential sale of Centre for Health Science 1 (CfHS1) to University of the Highlands and Islands (UHI). At the meeting on 30 April 2019, the Board agreed in principle to the sale of CfHS1 to UHI, subject to resolution of the question as to whether SG would allow HIE to retain the capital receipt.

[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].

5 ITEMS FOR INFORMATION CUSPAIREAN AIRSON FIOSRACHADH

5.1 Jobs Supported 2018-2019

The report was noted.

5.2 HIE Publication Scheme – Approvals List

The report was noted.

5.3 Any other business

The Board congratulated the Chair on being made a Commander of the Order of the British Empire (CBE) in the Birthday 2019 Honours List for his contribution to economic and community development.

5.4 Forthcoming meeting dates

- 3-4 July – Xpo North
- 13 August – Risk and Assurance Committee, An Lòchran, Inverness
- 2-4 September – HIE Board Meeting and visit to Sutherland
- 11 September – HIE all staff event
- 28-30 October – HIE Board meeting and visit to LSWR – Fort William

Adrian Kitson
Head of Executive Support
25 June 2019