

BOARD MEETING
COINNEAMH BÙIRD

MINUTE OF THE EXTRA HIE BOARD MEETING HELD ON TUESDAY 7 APRIL 2020
SCOTTISH GOVERNMENT – SUPPORTING COMMUNITIES FUND
THIS MEETING TOOK PLACE BY SKYPE AUDIO CONFERENCE

PRESENT: Alistair Dodds (Chair)
Carroll Buxton
Amanda Bryan
Angus Campbell
Ailsa Gray
Donald MacRae
Robert McIntosh
Belinda Oldfield
Calum Ross

IN ATTENDANCE:

Douglas Cowan	Director of Communities and Place
Sandra Dunbar	Director of Business Improvement and Internal Audit
Nicola Ewing	Regional Head of SC Client Engagement and Development

Following on from the additional Board meeting held on Friday 3 April 2020 where an update was provided in relation to a request received for HIE to act as a delivery vehicle and conduit for the Scottish Government (SG) Covid19 Supporting Communities Fund (SCF), for the HIE region, there was a need to call an extra Board meeting at short notice for the Board to consider a request for HIE to take this forward due to the costs being over £2.0m.

The Chair welcomed everyone to the meeting. Apologies were noted from Paddy Crerar who had provided notice in advance that his attendance was tentative.

The Interim Chief Executive provided a brief overview of the request outlining that this is a pan Scotland fund with HIE delivering for the region.

The Director of Communities and Place and the Regional Head of SC Client Engagement and Development presented a paper to the Board recommending approval for HIE to act as a delivery vehicle and conduit for the Scottish Government (SG) Covid19 Supporting Communities Fund (SCF), for the HIE region, in response to the COVID-19 Global Pandemic.

It was noted that HIE reached out and offered to help with the administration of this fund. A total of £40.0m has been allocated to a Covid19 Supporting Communities Fund (SFC) across Scotland and it is proposed HIE act as the delivery vehicle and conduit for the SCF within the H&I region, which is targeted to support the community efforts at grass roots level. This will be vital to local and national resilience and will be delivered through community anchor organisations (CAOs). CAOs will act as a co-ordinator and conduit for distributing funding to relevant community organisations and causes, in support of Covid-19 activities, in their surrounding geographical areas.

This will be a global approval, individual child projects will be recorded and approved on HMS in alignment with the process which has been mapped and agreed between HIE and Scottish Government staff. The initial instalment of SCF is expected to be £2.3M, with potential to increase up to £5M over the next 6-month period to enable HIE to distribute appropriate seed and emergency funding to communities across the Highlands and Islands. This will be delivered in two phases with any gaps identified being filled as the process is rolled-out.

HIE and SG are fully aware that there has been a need to deviate from the normal risk profile and procedure to enable arrangements to be put in quickly to deal with the unprecedented challenges our communities are facing as a result of Covid19. HIE has sought to ensure the discussions were informed by awareness of risk and an acknowledgement that some inherent risks remain in seeking to put in place a proportionate approach. One key risk is in releasing funding before the activity has been undertaken which is different from HIE's normal approach of releasing funding retrospectively.

Given the national emergency and the urgency in ensuring that funding gets to community organisations on the ground, to enable vital local services to be delivered, SG had asked for these arrangements to be relaxed and SG and HIE staff have designed a process based on a balance of national priority and individual project risk, that cannot follow our normal diligence requirements.

The Director of Business Improvement and Internal Audit noted that the HIE team had worked with Scottish Government to meet their government objectives of progressing quickly and having light touch process, this has resulted in inherent risks remaining which Scottish Government have accepted.

It is recommended that the HIE Board give approval for 1) HIE to act as a delivery vehicle and conduit for the SG Covid19 Supporting Communities Fund for the HIE region, in response to the COVID-19 Global Pandemic, subject to LT being satisfied with the final terms of grant from SG and associated risks; 2) Scottish Government GIA funding available to HIE is between the value of £2.3M and £5M. It is anticipated the community Expressions Of Interest for the first funding round will total approx. £2.3M. All funds will be allocated and spent within 2020/21 financial year and 3) Due to the timeframes associated with the Covid 19 crisis, board approval is sought for HIE to deliver within these budget perimeters for both the initial and expected secondary targeted round of funding, and delegate any amendments to the process to HIE's Leadership Team.

The Board had a number of questions for HIE staff as follows:

Board member Amanda Bryan noted a related party interest as a result of her husband's role in Highland Hospice.

How would HIE ensure that there was no duplication of effort and also ensure that as many organisations as possible are aware. It was confirmed that a first cut at mapping organisations was undertaken with HIE to deal with those in the HIE area. This has now been put out to networks to include others. HIE will ensure no duplication by cross checking, this will be built into the claims process with the legal undertaking clearly noting that there can only be one application, and this will also be covered in the oversight group. There will not be an open call.

The Board sought to understand the role of the oversight group regarding approvals and wondered if this would cause a bottleneck if this was via a single group. It was confirmed that HIE had prepared the paperwork and that SG were working on this re consistent process. It has been mapped out to make this a simple process and HIE will feed into calls on a daily basis to ensure no bottlenecks and will work to clear any quickly.

Do HIE have the capacity to deliver this and is there a requirement to stop other activity. It was confirmed that HIE had mobilised Strengthening Communities teams across the agency and do not see this as a large burden when up and running. There has also been a wider review of resources across HIE to ensure that resource needs are met. Capacity will be kept under constant review.

Are senior management content that the risk is acceptable. The Interim Chief Executive confirmed that there had been significant discussion on this to inform the process design with Scottish Government. There remain

a number of inherent risks which SG have accepted and HIE has sought to align as much as possible with current process to reduce risk and senior management are comfortable with this.

The Board noted their support for HIE to undertake this and gave approval up to the value of £5.0m delegating authority to the HIE Leadership Team to make any amendments necessary to improve the process. The Director of Communities and Place to provide a verbal update at the April Board meeting followed by a report to the June Board meeting.

Adrian Kitson
Head of Executive Support
07 April 2020