

BOARD MINUTE

24 FEBRUARY 2026

Highlands and Islands Enterprise

APPROVED



BOARD MEETING
COINNEAMH BÙIRD

**MINUTE OF THE HIE BOARD MEETING HELD ON TUESDAY 24 FEBRUARY 2026, STARTING AT 09:00
IN AN LÒCHRAN, INVERNESS CAMPUS**

PRESENT (INVERNESS) Angus Campbell (*Chair*)
Freda Newton (*Deputy Chair*)
Allan Clow
Melanie Collett
Simon Cotton
Ailsa Raeburn
Calum Ross
Anna Salgado
David Wilson

PRESENT (ONLINE) Stuart Black (*Chief Executive*)
Keith Nicolson

IN ATTENDANCE (INVERNESS)

Mary Bowman	Shadow Board Member
Sandra Dunbar	Director of Corporate Services
Martin Johnson	Director of Strategy and Regional Economy
Karen Moncrieff	Director of Human Resources
David Oxley	Director of Strategic Projects
Chris Roberts	Head of Communications
Alastair Nicholson	Area Manager, Lochaber, Skye and Wester Ross, item 2.1
[Name removed for data protection]	Head of Business Growth, Lochaber, Skye and Wester Ross, item 2.1
[Name removed for data protection]	Head of Strengthening Communities, Lochaber, Skye and Wester Ross, item 2.1
Graeme Harrison	Head of Marine Energy, item 2.2
Elaine Hanton	Head of Energy Transition and Net Zero/Cairngorm Project Lead, items 2.2, 3.1
Charlie Lawrence	Head of Property and Infrastructure, items 2.3 - 2.5
Greg Youngson	Property Development Manager, items 2.3 - 2.5
Peter Dennis	Project Manager, Cairngorm, item 3.1
Peter Guthrie	Head of Space, item 3.2
Margaret McSporrán	Head of Community Wealth Building, item 3.3
[Name removed for data protection]	Management Accountant, items 4.1, 4.2
[Name removed for data protection]	Business Improvement Manager, item 4.3
Lorna Gregson-MacLeod	Head of Planning and Partnerships, item 4.4, 4.5

IN ATTENDANCE (ONLINE)

Joanna Peteranna	Director of Area Operations
Rachel Hunter	Director of Enterprise and Community Support

1 **STANDING ITEMS** **CUSPAIREAN COTHROMACH**

1.1 **Welcome and apologies**

The Chair welcomed everyone to the meeting, including Scottish Government representatives. There were no apologies.

1.2 **Declarations of interest**

Mary Bowman declared an interest in items 1.4 and 4.3 due to her involvement with Highland Deephaven and would leave the meeting if any further discussion took place concerning Ardersier Port.

Ailsa Raeburn declared an interest in Storax Uibhist, which was mentioned in the draft December minute, and would leave the meeting if there was further discussion on this subject.

Allan Clow declared an interest in item 2.1 as an independent member of the UHI Court and would leave the meeting during discussion and decision making for this item. The relevant paper had been withheld from the pack distributed to Mr Clow.

Calum Ross declared an interest in item 2.1 as the HIE-appointed UHI Court member. It was agreed that Mr Ross could participate in discussion but would leave the meeting before a decision was taken.

David Oxley declared an interest in item 2.2 as the HIE-appointed director of Wave Energy Scotland. It was agreed that Mr Oxley would leave the room during discussion and decision making for this item.

David Wilson declared a related party interest in item 2.2. It was agreed that he would leave the meeting during this item.

The following transparency statements were noted:

Item	Board member / HIE employee	Transparency statement
1.6	Ailsa Raeburn	Islands Business Resilience Fund
1.6	Anna Salgado	Director of Lifescan
1.6	Joanna Peteranna	Related party interest in the Islands Business Resilience Fund
2.1	Joanna Peteranna	Related party interest in Sabhal Mòr Ostaig

1.3 **Draft minute of the Board meeting held on 16 December 2025**

The minute was approved as an accurate record of the meeting.

1.4 **Draft minute of the extra Board meeting held on 12 February 2026**

The minute was approved with an amendment to note that Calum Ross and David Wilson had sent apologies.

1.5 **Matters arising from the minutes and action grid**

1.5.1 **AEID Navantia UK**

The Board noted that the Chair and Chief Executive had taken a decision under delegated authority to amend the final claim-by date for this project.

1.5.2 Islands Business Resilience Fund project amendment

The Islands Business Resilience Fund (IBRF) had been underspent due to demand having been lower than expected. In light of this, the Chair and Chief Executive had taken a decision under delegated authority to use the underspend to increase the sums awarded to each eligible applicant, subject to final confirmation from the Scottish Government. It had also been agreed that HIE would meet costs incurred through administering the fund from its own revenue budget so that all IBRF funding would go to island businesses and organisation affected by ferry disruption. The Board noted the decision.

1.6 Chair and Chief Executive's update

The Board noted a summary of significant activities and issues that were currently being dealt with by HIE employees and were not covered elsewhere on the agenda. There was discussion on the following items:

- **Asia-Pacific visit**

The Chief Executive reported that he and the Head of Inward Investment had a productive visit to Japan, South Korea and China in January, where they met existing and potential inward investors to the Highlands and Islands.

- **UK Local Growth Fund**

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

- **Legal matter**

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

- **Scottish Covid-19 Inquiry**

The Director of Corporate Services reported that the Scottish Covid-19 Inquiry was due to hold a preliminary hearing on 10 March, to be followed by substantive implementation hearings in October. HIE was a core participant and would be monitoring proceedings.

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

- **Community Wealth Building**

The Board noted that the Scottish Parliament had passed the Community Wealth Building (Scotland) Bill 3 on 10 February. As a 'specified body', HIE would co-produce and help deliver five-year CWB action plans alongside local authorities and other partners, with a preference that this should take the form of a single regional plan. HIE also expected that CWB guidance would need to be evidenced in its corporate planning and performance frameworks.

- **Islands Business Resilience Fund**

The Director of Enterprise and Community Support reported that HIE had received Scottish Government approval to increase the levels of payments to eligible applicants to the Islands Business Resilience Fund and staff were now working hard to issue all funding by the financial year-end. *[Sentence removed in the interests of the effective conduct of public affairs].*

- **International trade**

The current 10% tariff rate on UK exports to the US was disproportionately impacting smaller whisky distillers in the region and there was continued uncertainty over the potential application of additional

tariffs. More positively, whisky export tariffs to China had been cut from 10% to 5% from 1 February and the 2025 UK-India free trade agreement had also cut tariffs on alcohol. The Board noted that currency fluctuations and the loss of de minimis were also causing severe problems for small exporters to the US.

- **Offshore Wind 1: Contracts for Difference Allocation Round 7 (AR7)**

The UK Government had awarded 8.44GW of offshore wind capacity in the recent Contracts for Difference allocation round (AR7) involving fixed-bottom and floating technologies in January. Scotland secured 17.45% of UK fixed-bottom capacity and 48% of floating capacity in Berwick Bank Phase B and Pentland Floating Offshore Wind Farm. It was hoped that AR8, due later in the year, would do more to stimulate the floating offshore wind market.

- **Offshore Wind 2: Navantia**

As noted under item 1.5.1 matters arising, the Chair and the Chief Executive had approved an amendment under delegated authority *[part of sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity]*. *[Sentences removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity]*.

The Board expressed concern that transmission charges continued to affect projects in the Highlands and Islands disproportionately and were impeding progress across the offshore wind sector.

- **Machrihanish**

The Director of Strategic Projects informed the Board that demolition was progressing well, with work on both Buildings A and C expected to be completed by the end of February.

- **Programme updates**

The Director of Enterprise and Community Support provided updates on current progress achieved by programmes delivered by HIE including, Pathways to Start, the Small Producers pilot fund and HIE Impact Women, which was due to launch later this week. In response to a question on budget allocation for the Small Producers fund, the Director explained that SOSE's budget was larger as it was delivering in the Scottish Enterprise region as well as South of Scotland.

- **Science Skills Academy**

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

- **Scottish Government / policy update**

The Director of Strategy and Regional Economy updated the Board on a range of Scottish Government matters. The draft National Islands Plan had been laid in the Scottish Parliament in December and enabling legislation for post-school education reform had been published in January. In addition, HIE had been informed that the Government no longer planned to publish a Rural Delivery Plan. It was also noted that the Government had begun setting out future priorities beyond the upcoming parliamentary election and HIE was engaged with the team leading this process as well as other key teams within Government.

In relation to the new Islands Plan, the Board welcomed its sharper focus and expressed a desire for implementation to adopt a culture whereby solutions could be taken forward from the bottom up.

In response to a question, the Director confirmed that HIE welcomed the Government's recent announcement of a new housing agency and had reached out to civil servants to begin putting forward the needs of rural and island communities.

- **HIE 60th anniversary**

HIE's competition inviting UHI students across the region to design a 60th anniversary tartan for the agency had attracted 16 high quality entries. Judges had shortlisted three finalists and HIE employees were currently voting on a winner.

- **Organisational development**

The Director of Human Resources reported that HIE had launched its second mentoring programme with 18 new mentoring partnerships in place. In line with the agency's succession plan, several employees were due to attend Henley Business School masterclasses during March.

- **Delivery Resource programme**

The Director of Enterprise and Community Support reported that the Scottish Government had agreed to HIE's request to provide 100% funding for the Delivery Resource programme, in 2026/27. The programme funds local development officers who work with communities across the Highlands and Islands. All 21 existing Delivery Resource areas and six new ones had been approved.

2 DECISIONS CO-DHÙNAIDHEAN

2.1 Sabhal Mòr Ostaig – Fàs Centre building remediation

Allan Clow and Calum Ross left the meeting.

Alastair Nicholson, [Name removed for data protection] and [Name removed for data protection] joined the meeting.

The Director of Area Operations introduced an appraisal paper *[part of sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity]*. The remainder of the funding, comprising 69.1% of the total, would be provided by the Scottish Government.

Located on Skye, SMO was a partner of the University of the Highlands and Islands that was recognised as Scotland's national centre for Gaelic language and culture. The Fàs Centre opened in 2008 as a mixed-use space for research, creative courses and engagement, business incubation and a Gaelic-medium nursery, but had closed in February 2022 due to structural defects. Without intervention, the building would remain unusable, with the effect of constraining SMO's operations, limiting Gaelic-medium education capacity, reducing commercial income, and negatively impacting research and community activity.

The remediation project, which SMO was unable to fund independently, would encompass structural remediation and reinstatement, improved childcare facilities and net-zero upgrades to create a multi-purpose hub to support enterprise growth, skills supply and cultural and economic resilience. Once completed, it was forecast that the building would provide accommodation for 60 FTEs and generate new income as a competitive venue for conferences, cultural activity and professional training.

In discussion, HIE staff confirmed that a full range of options for the building had been explored before reinstatement was identified as the preferred way forward. Board members noted the role of the Scottish Funding Council (SFC), which would provide enhanced project management, reporting to the Scottish Government. Staff reported that precise responsibilities of the project partners were still being defined and that HIE would seek clarification and agreement through a project governance document. In broad terms, it was expected that SFC would oversee infrastructure works, while HIE would focus on supporting SMO to maximise economic and cultural impact.

The Board expressed strong support for the project, *[part of sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity]*. *[Sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity]*.

Alastair Nicholson, [Name removed for data protection] and [Name removed for data protection] left the meeting.

Allan Clow and Calum Ross rejoined the meeting.

2.2 Wave Energy Scotland strategy and funding

David Wilson and David Oxley left the meeting.

Elaine Hanton and Graeme Harrison joined the meeting.

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

Elaine Hanton and Graeme Harrison left the meeting.

David Wilson and David Oxley rejoined the meeting.

2.3 Property factoring 2025/26 – Amendment

Charlie Lawrence and Greg Youngson joined the meeting.

The Property Development Manager presented a paper seeking £518,818 additional revenue funding to support the operational costs of HIE's commercial property portfolio in the current financial year.

The Property team had reduced costs and increased rental income during 2025/26 and expected the property portfolio to contribute positively to HIE's revenue position next year. Some additional costs and budget restructuring had, however, made it necessary to request this increase, which would raise the total property factoring budget to £3,973,248 gross (£2,829,829 net of recoveries).

This would cover several activities that had not been budgeted at the start of the financial year, including demolition of two buildings at Machrihanish, which would deliver future savings. Other factors included restructuring of An Lòchran service charge budgets, *[part of sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity]*, professional fees and ongoing void costs.

During discussion, the Board raised the issue of self-insurance, which had been discussed at previous meetings as a potential way to generate revenue savings. The Director of Corporate Services confirmed that the potential for HIE and other public organisations to benefit from self-insurance had been explored with the Scottish Government. At present, however, there did not appear to be sufficient appetite among a large enough range of public bodies whose participation would be required for this approach to succeed.

The request to increase HIE's 2025/26 property factoring budget by £518,818 was approved.

2.4 Property factoring 2026/27

The Property Development Manager presented a paper seeking approval *[part of sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity]* to support the operation of HIE's commercial property portfolio in 2026/27.

The portfolio had a capital value of just over £32m at 31 March 2025 and currently comprised 48 industrial and 117 office units and 62 development plots as well as Cairngorm Mountain and Orbst estates. The Board noted that sales and rental income generated around £2.4m in proceeds each year for HIE to re-invest.

Although a number of successful property sales and lettings had reduced costs, the overall factoring budget remained high, partly due to Machrihanish, where a combination of head lease, business rates and void holding costs amounted to 30% of the total. Head lease costs were also significant *[part of*

sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity] although it was agreed that these helped generate wider economic benefits to Kintyre by supporting the work of the community landlord, Machrihanish Airbase Community Company (MACC). As reported in the previous item, demolition of two large buildings there had reduced business rates and potential repair costs, and further demolitions were being considered.

Other premises with high void rates at present were: Solasta House and the Life Sciences Innovation Centre at Inverness Campus and Horizon Centre, Forres. In response to a question, the Property team reported that the budget did not allow for any negative impact arising from Orbex' recent announcement that it intended to enter administration (see item 3.2 below).

In discussion, it was noted that the 2026 rates revaluation had not significantly affected the portfolio, although the impact of local authorities withdrawing vacant property rates relief had been factored into the budget. On the question of contingency, the Chief Executive expressed the view that the 2026/27 budget had been set at an appropriate level but could be adjusted in-year if circumstances required it.

Procurement of HIE's property management contract had proven challenging, although ultimately successful, and the Property team was now working to build in-house resilience that would deliver benefits in future. New contracts with two suppliers were not confined solely to property management but included marketing as well. The Board also noted actions that were being taken at Inverness Campus to attract further investment projects and increase occupancy of existing properties.

The Board welcomed the paper, noting the important role that HIE's property strategy played in economic and community development. The 2026/27 budget was approved.

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

3 **UPDATES**
CUNNTASAN AS ÙR

3.1 Cairngorm

Elaine Hanton and Peter Dennis joined the meeting.

The Cairngorm Project Lead and the Project Manager provided an update on matters relating to Cairngorm, including funicular remediation works, performance of operating company CMSL, and risks. It was also confirmed that the report of the Scottish Parliament's Public Audit Committee, which had scrutinised the funicular, had been published this morning.

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

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

Through the winter, CMSL had benefited from excellent snow conditions and improved preparedness to deliver its best performance in several years, despite high winds and blizzards forcing the resort to close for 12 days in December and January. Between April 2025 and January 2026, 12,500 skiers and snowboarders and 122,000 funicular passengers had been attracted. Turnover from April to December was higher than had been forecast and operating losses were lower.

Given the nature of the business, the year-end outturn would depend on weather conditions and final quarter trading, with the February schools' mid-term break being particularly important. With the end of the financial year approaching, HIE had asked CMSL to provide weekly cashflow and profit and loss information to help track progress and accurately forecast the annual outturn.

The Board welcomed progress being made across all of these areas. *[Sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

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

The Project Lead confirmed that HIE's Inner Moray Firth Area Manager was discussing the company's strategy and business plan with CMSL this week and it was intended that an update would be provided at the next Board meeting.

The Board thanked the Cairngorm team for a clear report and their continuing efforts to deliver successful outcomes from a very challenging programme of activities.

Elaine Hanton and Peter Dennis left the meeting.

3.2 Space

Peter Guthrie joined the meeting.

The Head of Space presented a paper to inform the Board of the current position regarding Orbex and Sutherland Spaceport.

The Board had previously been informed that Orbex's most recent efforts to secure substantial investment had ultimately proven unsuccessful and the company had entered into discussions seeking acquisition by European aerospace business, The Exploration Company. It was now reported that these discussions had failed to reach agreement and Orbex had notified its intention to enter administration, leading to redundancies for all but 10 or so of its 150 employees in Moray as well as complete closure of its Danish arm. *[Sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

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

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

While the focus now was on addressing the current challenges, the Chief Executive confirmed that HIE recognised the need to understand the factors and decisions that had led to the present situation and to learn lessons. *[Sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

The Board thanked the Director and the Head of Space for a clear report and approved a request to continue to delegate any urgent decision making regarding Orbex, Sutherland Spaceport Ltd and related matters to the Chair and Chief Executive.

Peter Guthrie left the meeting.

3.3 HIE's future role in enabling community-led development

Margaret McSparran joined the meeting.

The Head of Community Wealth Building put forward recommendations to evolve HIE’s approach to community-led development in the context of a changing policy and fiscal environment.

A key factor behind the proposed evolution was the Community Wealth Building Bill, which was expected to be passed in the Scottish Parliament in March, bringing in new statutory duties for local authorities and other public bodies. The potential scope of future support was outlined at high level, noting that supporting communities had always been a core element of HIE’s identity and purpose. Last year’s research on regional transformational opportunities (RTOs) had also underscored the need for equitable access to community benefits across the region.

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

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

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

The Board endorsed the direction of travel described in the recommended approach, noting that two more meetings of the Board sub-group were due to be held during 2026 to facilitate more detailed discussion.

Margaret McSparran left the meeting.

4 RESOURCES AND GOVERNANCE
GOIREASAN IS RIAGHLACHAS

4.1 Financial statement

[Name removed for data protection] joined the meeting.

The Management Accountant presented an update on HIE’s financial position at 31 January 2026.

The Board noted that achieving a balanced budget at the year-end would require a flexible approach and agile reprofiling of business unit budgets across HIE as circumstances changed. HIE intended to make an authorised overspend request to the Scottish Government of up to £2m, with the aim of enabling some project spend to be brought forward from 2026/27, although it was recognised that this might not be granted.

[Paragraph removed due to commercial sensitivity].

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

HIE had also secured additional revenue funding for delivery of the Islands Business Resilience Fund, Pathways to Start programme, digital activity and Small Producers Pilot Fund. The scale of other income was now equal to 80% of HIE’s core budget allocation, which was unprecedented. HIE’s final budget outturn would be known in October, following conclusion of the 2025/26 annual audit and the organisation’s financial position was subject to change until then.

The Scottish Government had confirmed a revenue budget transfer to fund both Delivery Resource – Community Development Officers and Scottish Land Fund activities in 2025/26 and indicated that its

funding for these programmes would continue. Delivery of HIE's Best Value plan aimed to identify further additional income sources and realise cost savings, including through vacancy management.

The Board thanked the Management Accountant for a very clear and comprehensive report.

4.2 Opening budget and financial outlook

The Board considered HIE's opening capital and revenue budgets for 2026/27. The Scottish Budget, announced on 13 January, had provided HIE with a 'flat cash' settlement for the year, comprising a capital budget of £25,245,000 and a revenue budget of just over £28m. HIE's non-cash budget to fund accounting items such as depreciation costs remained at the previous year's level of £3m.

Key points noted by the Board included high demand for capital, combined with carry-forward commitment, which would require Leadership Team to implement a new approach to resource prioritisation. The Offshore Wind Investment Programme (OWIP) was a significant part of HIE's capital budget again and staff were alert to the risk that funding allocation might not match project requirements due to slippage across financial years – an issue that was outwith HIE's control. *[Sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

The revenue budget was again under pressure, with a need to absorb costs relating to running the business. HIE would increase focus on Best Value, Public Service Reform, realising cost efficiencies and securing other income. There was recognition that it was necessary to move to a longer-term financial planning model aligned to HIE's strategy and informed by the Scottish Spending Review. *[Sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity].*

The Board approved the draft opening budget for 2026/27.
[Name removed for data protection] left the meeting.

4.3 Corporate risk register

[Name removed for data protection] joined the meeting.

HIE's Business Improvement Manager presented the latest corporate risk register, highlighting changes that had been made since the previous version was presented to the Board in December 2025. *[Sentence removed in the interests of the effective conduct of public affairs].*

The Board noted the corporate risk register.

[Name removed for data protection] left the meeting.

4.4 Performance update

Lorna Gregson-MacLeod joined the meeting.

The Head of Planning and Partnerships presented a summary of HIE's performance against targets in the year to date.

This showed that £79m of investment had been approved through 921 financial interventions and a further 554 non-financial interventions had been delivered. More than 520 FTEs had been supported, 43% of which were green jobs. The average wage for jobs supported by HIE was currently above target at £36,062.

The number of projects being carried out with community organisations continued to rise and progress had been made in capital asset investment in communities, although this measure was below target. All other community-related outcomes were currently on target or higher. Investments in inclusive growth focus areas had made strong contributions.

A significant amendment to *[part of sentence removed in the interests of the effective conduct of public affairs, and due to commercial sensitivity]* had affected progress towards several targets that the Board had agreed to increase in December 2025, following review. As a result, staff were now asking the Board for permission to revert to the original set of 2025/26 targets, as published in HIE’s annual operating plan. In discussion, it was noted that, in revising targets in December, HIE had been following Audit Scotland best practice when dealing with circumstances in which one or more high impact projects could impact outturns.

The Board welcomed the update and approved the recommendation to revert to the original operating plan targets for 2025/26.

4.5 Operating plan update

The Head of Planning and Partnerships set out an approach for the 2026/27 HIE Operating Plan, noting that these were again based on the Scottish Government’s letter of guidance received in July 2025 and there may be a need to respond to new guidance following the Scottish Parliament election later this year. Scotland’s other two enterprise agencies were taking a similar approach in preparing their plans.

The plan proposed that HIE would continue to focus on the following priorities:

- partnership working
- advocacy for the region
- enabling regional transformational opportunities and wider sectoral growth
- transition to net zero
- place-based planning and development
- supply chain development
- innovation, entrepreneurship and productivity
- supporting community resilience and wealth building

The Board endorsed these themes and agreed that the delivery approach set out in 2025/26 remained valid. The current primary measures were also considered fit for purpose, spanning the key themes of investment, productivity, innovation, net zero and community wealth building that had been set out in the 2025 guidance letter. A review of productivity measures was currently under way and it was highlighted that these could be adjusted following completion.

Members noted that Government guidance instructed Scotland’s enterprise agencies to develop common measures and refine impact models that would allow aggregation of outcomes across agencies. In response, a set of 11 common measures had been agreed and would be used for reporting purposes. It was important to recognise, however, that distinctions between the agencies’ remits and circumstances remained valid, including higher costs that were usually associated with creating infrastructure and delivering support to businesses and communities in rural areas and islands.

The Board welcomed the operating plan update and endorsed the approach being taken.

Lorna Gregson-MacLeod left the meeting.

5 ITEMS FOR INFORMATION CUSPAIREAN AIRSON FIOSRACHADH
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5.1 Draft minute of the Remuneration Committee, 10 November 2025

The Board noted the minute, which will be submitted for approval to the next meeting of the Remuneration Committee. Freda Newton, as Chair of the Committee, provided a verbal update to

inform the Board that the Scottish Government had subsequently approved the HIE Chief Executive’s one-year pay award.

The Chair of HIE confirmed that the Committee was to be expanded to four members and that Simon Cotton had accepted an invitation to join. Succession planning was also being considered.

5.2 Marketing and Communications update

The Board welcomed the latest six-monthly update on progress with delivering HIE’s marketing and communications strategy, covering the period July – December 2025.

5.3 Pre-election guidance 2026

Guidance for HIE employees and Board members in the run-up to the Scottish Parliamentary election on 7 May 2026 was noted.

5.4 Any other business

The Chair had represented HIE at a meeting of public sector Chairs to consider public sector reform among other matters and would attend a second meeting of the same group next week.

The Scottish Government had begun recruitment of three new members of the HIE Board. The successful candidates would be appointed for three years from 1 September.

There was no other business.

5.5 Forthcoming dates

The following dates were noted:

17 March	Risk and Assurance Committee
27-28 April	Board visit and meeting in Shetland
29 April	Chair and Chief Executive visit to Fair Isle

Chris Roberts
Head of Communications

24 February 2026