

BOARD MINUTE

20 JUNE 2025

Highlands and Islands Enterprise

APPROVED



BOARD MEETING COINNEAMH BÙIRD

MINUTE OF THE HIE BOARD MEETING HELD ONLINE ON FRIDAY 20 JUNE 2025, STARTING AT 10:00

PRESENT

Angus Campbell (*Deputy Chair*)
Stuart Black (*Chief Executive*)
Allan Clow
Simon Cotton
Ailsa Raeburn
Anna Salgado
David Wilson

IN ATTENDANCE

Sandra Dunbar Director of Corporate Services
Martin Johnson Director of Strategy and Regional Economy
Karen Moncrieff Director of Human Resources
Nicola Ewing Head of Client Products and Services
[Name removed for data Senior Policy Manager
protection]
Chris Roberts Head of Communications

1 Welcome and apologies

The Deputy Chair, who was chairing this extra meeting of the Board, welcomed everyone. Apologies had been received from Mary Bowman, Melanie Collett, Rachel Hunter, Freda Newton and Joanna Peteranna. Keith Nicholson and Calum Ross were also unable to attend.

2 Declarations of interest / transparency statements

The paper for item 3, Islands Business Resilience Fund, noted that HIE Director of Area Operations, Joanna Peteranna, had declared a related party interest regarding business activities in Benbecula and would play no role in developing or delivering the proposed fund.

The following transparency statements were given.

Item	Board member	Transparency statement
3	Angus Campbell Ailsa Raeburn	Chair, Ferries Community Board, Clyde and Hebrides Chair, Isle of Eigg Heritage Trust

3 Islands Business Resilience Fund

The Head of Client Products and Services presented a paper seeking approval for HIE to act as the delivery vehicle and conduit for the Scottish Government Islands Business Resilience Fund.

This was a £4.4m funding package designed to strengthen the resilience of small to medium-sized enterprises (SMEs) in island communities that had faced the greatest financial and operational challenges due to several years of disruption to ferry services. All funding would be drawn down and spent by HIE during financial year 2025/26.

Following discussions with HIE, the Scottish Government had agreed that the greatest impacts would be achieved by targeting organisations in sectors that were most dependent on the connectivity provided by ferry services and located on islands that had experienced a service disruption level of 15% or more. The fund would therefore aim to improve and support the resilience and growth potential of SMEs in the visitor economy and perishable goods sectors with a trading address in Arran, Benbecula, Berneray, Colonsay, Eriskay, Grimsay, North Uist and South Uist.

HIE would draw on experience it had gained in administering Covid relief funding *[part of sentence removed in the interests of the effective conduct of public affairs]*. The level of grant awarded to applicants would vary according to each organisation's headcount, from sole trader up to a maximum of 249 employees. Grants would be determined after the closing date for applications, which would enable HIE to assess actual demand as well as eligibility and size of each organisation prior to any awards being made. A block exemption for fair work conditionality was recommended.

The fund was scheduled to go live on 2 July and staff anticipated a high volume of applications. Up to £160,000 in the £4.4m budget was available to cover management costs that HIE would be able to claim. However, the Board agreed with a staff recommendation that HIE would waive its right to claim a management fee so that the entirety of the fund would go directly to successful applicants.

Board members were strongly supportive of the proposed fund in principle and asked a range of questions to examine the details. Regarding communications, staff reported that the fund would be announced by the Scottish Government and promoted by HIE through its website, social media and area teams. On eligibility, it was confirmed that operators of short-term accommodation such as Air BnB could be eligible if that was their main source of income.

The Board asked about the importance of employees' location. For example, could a business qualify for a higher amount if employees who were located off-island were included? HIE staff agreed to review this aspect further prior to launch date and provided assurance that clear criteria would apply to ensure grant funding was awarded appropriately to maximise island resilience. The application of banding according to company size was another measure that was intended to make funding awards as fair as possible.

It was also noted that businesses and community groups would have to be trading currently to benefit from the funds, meaning that operators of businesses that had closed would not be eligible. Companies that were ineligible for this fund would however be signposted to alternative sources, including the national Find Business Support service.

Reputational risk was recognised as another issue, with the size and scope of the fund expected to draw negative reactions from some quarters. The Head of Communications confirmed that HIE was alert to this risk and was working with the Scottish Government to agree communications processes and messaging, including FAQs to guide potential applicants and address questions they may have.

The Board approved the request for HIE to act as the delivery vehicle and conduit for the £4.4m Scottish Government Islands Business Resilience Fund and to apply a block exemption for fair work conditionality, as recommended. It was noted that the Board's decision was subject to the Scottish Government's Accountable Officer Template process and that a decision on this was expected imminently.

4 Any other business

There was no other business.

Chris Roberts
Head of Communications
20 June 2025