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Murdo Fraser MSP  
Convener  
Economy, Energy and Tourism Committee  
Scottish Parliament  
EDINBURGH  
EH99 1SP

7 October 2013

Dear Convener

## **HIGHLANDS AND ISLANDS ENTERPRISE (HIE)**

Following our evidence on 30 September 2013 to the Economy, Energy and Tourism Committee on HIE's budget plans for 2014-2015, I undertook to come back to the Committee with additional information on the following points raised during the Committee session:

### **1. Involvement in the Horizon programme and Scotland Europa**

HIE was asked about its involvement with the Horizon programme and its wider engagement with Scotland Europa. With regards to Horizon 2020, HIE recognises the significant benefits of involvement with the EU Framework Programme for Research and Innovation, and we are represented on the Scottish Steering Committee. HIE has been fully involved in a number of Horizon 2020 workshops and themed events which have been held across Scotland through a partnership approach with Scotland Europa, the Scottish Government, Scottish Enterprise, the Enterprise Europe Network and the Scottish Funding Council. A programme of specific sector workshops aimed at enabling businesses and academia to discuss potential projects and begin building consortia in preparation for the initial calls is now underway, with an event focusing on "Blue Growth" taking place in Inverness during November 2013. In addition, we have organised a session in Inverness during November 2013 with a senior policy adviser from Brussels to discuss Horizon 2020 and COSME.

We have also undertaken work with our sectoral teams, such as energy and life sciences, to establish how we can take full advantage of the programme in the future. As part of this exercise, we have been engaging with Scotland Europa on the Strategic Delivery Partnership and with the Interreg programmes to ensure collaboration and consistency.

Within Horizon 2020, there is a new funding line called SME Instrument for Innovative Company Engagement which provides support (including funding and mentoring) for SMEs to develop a high risk and high potential innovative idea in a three stage framework from feasibility, to demonstration, to commercialisation. HIE has been discussing with Scottish Enterprise how the Enterprise Europe Network can offer capacity building support under Horizon 2020 and mentoring through the SME instrument. The SME Instrument is already being promoted to businesses at the Horizon 2020 workshops.

During our discussions, I was asked about HIE's engagement with the new COSME programme and I'm pleased to say that we are actively exploring opportunities through the programme. Part of the COSME funding is ring fenced for supporting Enterprise Europe Network services and we are currently considering how HIE can deliver services through the network from 2015, which aim to strengthen competitiveness and sustainability, and promote SME growth through innovation services. Our main focus would be on facilitating Europe-wide business to business and business to academia collaboration, and offering advice on IP/IA issues and innovation funding.

## **2 Figures on the number of workers in the renewables sector**

HIE recently undertook a mapping exercise which identified that over 15,000 people are employed in the Energy sector across the Highlands and Islands. These employment figures represent jobs covering all stages of the project lifecycle in all aspects of the energy sector. In addition to employee numbers within the energy sector, planned and operational offshore wind, wave and tidal and demonstration projects are included.

Unfortunately, we have not been able to drill down to identify "renewable" jobs in the Highlands and Islands. Many of the jobs in the Energy sector are based in engineering companies which undertake mixed activities, so it was not possible to split further by category. We have been considering how this might be achieved in the future and are keen to work with partners to develop a consistent approach.

I trust that this information is helpful to the Committee, but please do not hesitate to contact me if you require anything further or if I can assist in any way.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alex Paterson', with a stylized flourish at the end.

**ALEX PATERSON  
CHIEF EXECUTIVE**