Highlands and Islands of Scotland

Becoming a Digital Region

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HELPING TO BUILD A SUCCESSFUL REGION

SINCE 1965

We are the economic and community development agency for the Highlands and Islands of Scotland. We've been working with organisations and communities for over 50 years to ensure the region remains successful and competitive.

HIE
Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

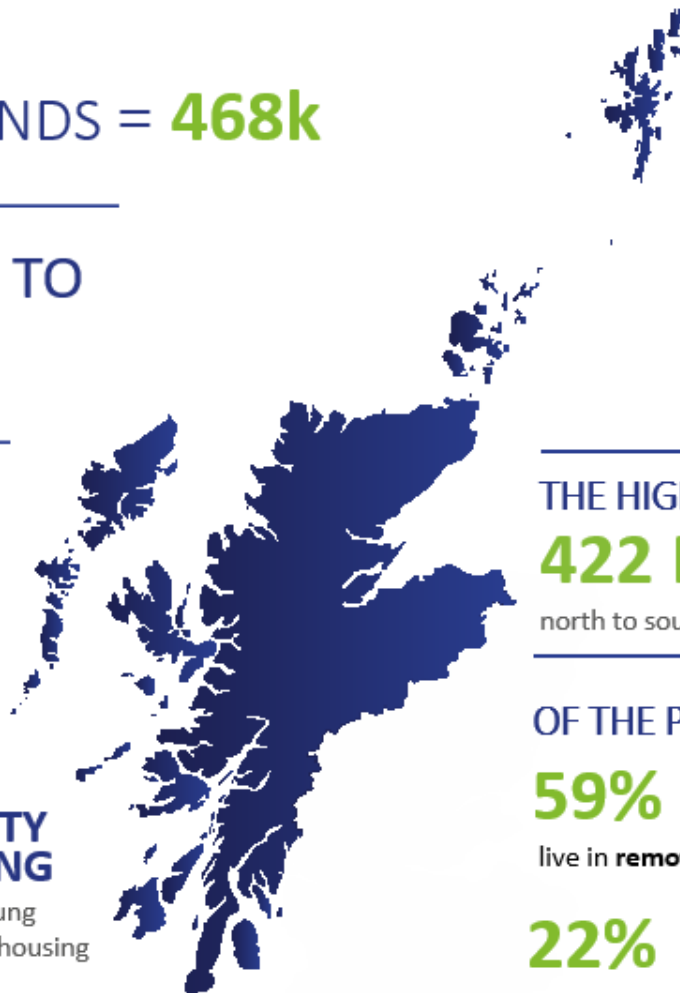## POPULATION OF THE HIGHLANDS AND ISLANDS = **468k**

THE REGION IS HOME TO
7 UNIVERSITIES

£

GOOD PAY
AVAILABILITY OF **HIGH QUALITY JOBS** AND **LOW COST OF LIVING**

are critical to making the region attractive to young people, along with quality of life and affordable housing

5.4%

of all the land of the Highlands and Islands is under community ownership (rest of Scotland 0.05%)

THE HIGHLANDS AND ISLANDS

422 MILES

north to south

170 MILES

east to west

OF THE POPULATION

59%

live in **remote areas**

27%

live in a **large settlement**

22%

live on an **island**

12%

live in a **fragile area**

BUSINESSES AND SOCIAL ENTERPRISES:

2020

SOCIAL ENTERPRISES IN HIGHLANDS AND ISLANDS (Source: Social Enterprise Census 2019):

7,294
Full-time equivalent employees supported by social enterprises in Highlands and Islands

1:2.2
The average differential between the highest and lowest paid worker

£548m
The net worth of Highlands and Islands social enterprises

1,270
Social enterprises currently operating in Highlands and Islands

BUSINESSES:

£21.8bn
TURNOVER
(7.2% of Scotland)

22,485
ENTERPRISES
(12.5% of Scotland)

222,100
EMPLOYEES
(8.8% of Scotland)

Average number of private sector employees per business

7.3 compared to **10.9** in Scotland

Average turnover of
£892k compared to **£1.6m** in Scotland

GVA per head
95% of the Scottish level

Median Gross annual pay
94% of the Scottish level

REGIONAL OPPORTUNITIES

AUTHENTICITY, PROVENANCE AND HERITAGE

Key drivers for tourism, creative industries and food and drink. Maximising the role of the Gaelic language.

BLUE ECONOMY

We have a major natural advantage in the green and blue economies:
- Aquaculture
- Marine biotechnology
- Fisheries
- Marine tourism

UNIVERSITY OF THE HIGHLANDS AND ISLANDS (UHI)

The University of the Highlands and Islands is a key asset, with world-leading expertise in remote learning and specialisms in marine and environmental science.

REMOTE AND HOME WORKING

More remote and home working will provide opportunities to attract more people to live, work, study and invest in the region.

NET ZERO

Major potential exists in renewables research, development and deployment; development of the Circular Economy; land use and natural capital; and decarbonisation of heat. We're uniquely placed for net zero supply Chain opportunities and to contribute to national targets. Opportunities for more traditional sectors e.g. to establish region as a low carbon destination for tourism sector.

SPACE/AEROSPACE

Our geography offers huge opportunities for spaceports and associated space and aerospace supply chain activities.

ADVANCED MANUFACTURING and TECHNOLOGY

Technology and innovation will accelerate a data and digital driven economy, evolve health care, overcoming geographic barriers and supporting delivery of the just transition to net zero.

OUR **REGIONAL OPPORTUNITIES**

- **Supports population growth –** good connectivity is increasingly seen as a utility and "expected" – poor connectivity is a major barrier.. In the regional context it is about closing the **digital divide**.

- Connectivity is vital in **enabling business productivity and innovation**

- **Removing barriers of geography** – boosting economic activity and community development particularly in the more fragile parts of the country.

- Supports the development and **implementation of low carbon solutions** helping Scotland to meet its Net Zero targets and mitigate the impacts of climate change.

- Contributes to the **effective provision of public services** which are increasingly provided online.

Highlands and Islands Next Generation Broadband Project

o £146M investment to deliver fibre broadband across the region (Scottish Gov, UK Gov and HIE funding)

o Delivered 19 new subsea connections, with build being a mix of FTTC and FTTP

o Original contract was to deliver fibre broadband to 156K premises, by end the project had delivered to 192K premises (though build efficiencies, underspend and gainshare)

o Availability of superfast broadband increased from 20% to 81% (remaining 19% of premises are in R100's intervention area)

o Take-up of broadband services are higher than the national average (75% for FTTC and 45% for FTTP)

Scotland's Reaching 100% (R100)

o £600m investment across Scotland to deliver 30 Mbps to every home and business

o Additonal grant support to aid bespoke solutions in most remote areas

o **Digital specialist advice** is available to HIE clients until March 2023, supporting a digital review and development of a digital action plan

o **HIE Digital Enablement Grant scheme** – available to HIE clients until March 2023, 213 projects supported in 2020/21

o **Virtual events and awareness raising** on focussed topics e.g. Data Innovation, Internet of Things and Cyber Resilience

o **CyberScotland Partnership** – raising awareness of cyber risks and support available in Scotland alongside national partners including the SG Cyber Resilience Unit, Scottish Business Resilience Centre and Police Scotland

o **The Data Lab Innovation Centre** – regional hub accelerating data driven innovation projects, leadership and skills (partnership with the SG, Scottish Enterprise and the Scottish Funding Council)

o **IoT Scotland** – raising awareness, stimulating demand and supporting IoT use cases in collaboration with CENSIS Innovation Centre

DIGITAL ENABLEMENT GRANT SCHEME 2020/21

o   HIE Digital Enablement Grant scheme launched in September 2020

o   Scheme awarded 75% towards eligible costs up to a maximum of £25k

o   278 enquiries and 154 applications were received from businesses, social enterprises and community/voluntary organisations across the region

o   206 Digital Enablement Projects supported in financial year 2020/21

o   The total project cost was £4,404,635 (HIE £2,589,635 / Private Sector investment £1.815m)

o   Organisations looking to apply digital technologies during the pandemic, to help them stay in business, find new customers, sell more products online, improve their eCommerce capability, diversify, retrain, retain and employ staff and continue to develop and grow the business.

WORKING IN COLLABORATION

- **DigitalBoost** – Scotland's Digital Engagement Programme established by HIE and now managed by Business Gateway / COSLA – signpost businesses to 1-1 and 1-many digital support available

- **SCVO Digital** – signpost to digital support for voluntary organisations through the SCVO Digital Programme

- **Digital Development Loan** – signpost to the DDL managed by Lanarkshire Enterprise Services Ltd on behalf of The Scottish Government, interest free loans up to £100k over 5 years

- **ScotlandIS** – HIE invest in membership of the trade association for the digital technology sector in Scotland and identifying opportunities to grow the tech sector in the region

- **Artificial Intelligence Strategy for Scotland** – working with The Data Lab Innovation Centre who have taken a lead role in its development

- **Digital Economy Skills** – engage with Skills Development Scotland relating to digital economy skills

o **Digital Economy Business Survey** – Highlands and Islands report and findings provide the evidence required to target future support and investment

o **Digital Adoption** – work closely with the SG Digital Economy team to ensure the region can access resources to help businesses and communities benefit from digital technologies from March 2022

o **Scottish Technology EcoSystem Review** – opportunities for Highlands and Islands, initially through the creation of a TechScaler network and EcoSystem funding but across all recommendations stemming from the report

o **5G Innovation Centre** – exploring opportunities to establish a rural hub for the region, HIE senior managers introduction in December 2021

Highlands and Islands becoming a digital region requires:

o **Infrastructure** - public investment to address market failure

o **Demand for digital** - build understanding, support investment, develop skills

o **Ambition** – rural regions are not always followers. We have the ambition to lead

Find out more about Highlands and Islands Enterprise:

www.hie.co.uk

Facebook: @highlandsandislandsenterprise
Twitter: @HIEScotland
LinkedIn: @highlands-&-islands-enterprise

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