

**MINUTES OF THE MEETING OF THE WESTERN ISLES ENTERPRISE BOARD
HELD ON MONDAY 8TH AUGUST 2005 AT 1700 HRS IN THE WESTERN ISLES
ENTERPRISE BOARDROOM, STORNOWAY**

Present: Murdo Macleannan Chair
Neil Campbell
Finlay Macdonald
Rachel Mackenzie
Donald R MacLeod
Alex Tearse

In Attendance: Donnie Macaulay
Lorna Macaulay
Archie Macdonald
Neil Mackinnon
Iain Morrison

3.05.1 DECLARATION OF INTEREST

Murdo Macleannan's interest in agenda item 3.05.8 (Connected Communities) was noted.

Alex Tearse's interests in agenda item 2.05.6 (An Lanntair) and 2.05.7 (Connected Communities) were noted.

D R Macleod's interest in agenda item 3.05.8 (Camcal Ltd) was noted.

3.05.2 APOLOGIES

Apologies were received from Murdo Macdonald, Isabel Graham, Hector Stewart, Angus Campbell and Calum Maclean

3.05.3 MINUTE OF MEETING HELD 9th MAY 2005

The minute of the meeting held 9th May 2005 was approved, proposed by Neil Campbell and seconded by Rachel Mackenzie.

3.05.4 MATTERS ARISING

2.05.5 Morrison Engineering

Chief Executive confirmed his discussions with Stornoway Port Authority. There are no proposals at present to take over the facilities previously leased by Morrison Engineering. The slip way facility continues to be well used thus maintaining an income to the Port Authority.

Board members encouraged staff to attach a high priority to the maintenance of engineering business activity at this location.

2.05.6 Biolitech

Chief Executive confirmed that the company had effectively now exited the Breasclate factory. Negotiations with a potential developer are continuing and a Business Plan is awaited.

3.05.5 2005/06 QUARTER END OUT-TURNS

Iain Morrison spoke to members on this report. The report was noted.

3.05.6 RISK REGISTER

Iain Morrison spoke to this paper. Members highlighted the risk factor relating to Arnish, noting attached comments, and the need for careful monitoring of the Network investment in Camcal Ltd.

3.05.7 OPERATIONAL REPORT

Iain Morrison presented this paper. The report was duly noted.

3.05.8 UPDATES

(i) Camcal

Chief Executive spoke to this paper outlining the updated position of the company. He confirmed the company's decision to close its Bangor operation and to consolidate activities at Arnish following the award of the OPD contract, and the failure to secure the Burbo Bank contract.

Chief Executive also confirmed the Network has responded positively to a proposal by the company for additional shareholder investment, and an associated restructuring of the funding package already approved. This will result in the Network purchasing fixed assets at Arnish, both the paint and blast facilities and the steel rolling mills at a total cost of £670K. It will also result in additional equity subscription of £440K from the network. The detailed conditions attached to this restructuring arrangement are in preparation at present.

(ii) Arnish

N Mackinnon spoke to members on this update paper. This paper was noted.

(iii) Connected Communities

N Mackinnon spoke to members on this paper. He also addressed issues raised by members including estimated date for completion, and operation and charging protocols for the network.

(iv) **Sunnyhill, Tarbert**

N Mackinnon updated members on this project. He confirmed that after prolonged negotiations with the developer it was now intended to commence construction in September 2005 on the basis of 10 year lease and a 5 year "break" clause. Completion is expected in the current financial year.

(v) **Township Heritage Initiative**

The Board welcomed this Programme of activity and noted the beneficial impact and co-ordination of activity achieved by the group. Members acknowledged projects seeking WIE funding will be the subject of a formal application for assistance.

(vi) **Regional Accounts 2003**

Chief Executive confirmed a presentation of the Regional Accounts Study is to be organised and it is anticipated this will be held in August 2005.

3.05.9 INTERNAL AUDIT COMMITTEE

This report was noted.

3.05.10 SHAW

Members welcomed WIE's involvement in the Scotland's Health At Work Initiative and welcomed the progress made in achieving the Bronze award.

3.05.11 AOB

Transport

Chief Executive confirmed the intention to identify a suitable date for an Interim Board Meeting which would address transport issues. It is hoped a presentation would be made by the HIE Transport Policy Manager.

There being no other business the meeting closed.

Approved
Chairman

Catherine Maclean
Head of Executive Office
10 August 2005