



MINUTES OF THE MEETING OF THE WESTERN ISLES ENTERPRISE BOARD HELD ON MONDAY 8TH NOVEMBER 2004 AT 1700HRS IN THE WESTERN ISLES ENTERPRISE BOARDROOM, STORNOWAY

Present: Murdo MacIennan Chair
Finlay Macdonald
Rachel Mackenzie
Alex Tearse
Neil Campbell
Isabel Graham
Calum Maclean

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

Observers: -

9.04.1 APOLOGIES

Apologies were received from M Macdonald.

9.04.2 DECLARATION OF INTEREST

Interests from A Tearse and M MacIennan were noted for agenda item 9.04.6 (i) Connected Communities.

9.04.3 MINUTE OF THE MEETING HELD 21ST SEPTEMBER 2004

The minute of the meeting held 21st September 2004 was approved. Approval was proposed by C Maclean and seconded by N Campbell.

9.04.4 MATTERS ARISING

8.04.3 Matters Arising from these Minutes
Paragraph removed for reasons of prejudice to effective conduct of public affairs.

8.04.4 Hebridean Hotels Ltd 411/W1676/1
D Macaulay stated that this project had now been approved by HIE.

8.04.5 Langass Lodge Hotel Ltd 411/W965/3
D Macaulay stated that this project had now been approved by HIE.

Paragraph removed for reasons of commercial interest

9.04.5

MANAGEMENT INFORMATION

(i) Operational Report

D Macaulay stated that, following the visit by GE Wind to Arnish, further information was being forwarded to the company.

Members discussed WIAREP and the on-going process which will clarify their strategic role, direction, responsibility and membership.

D Macaulay confirmed the Community Planning Partnership have been asked to nominate a representative to act as a Director on the Western Isles Development Trust.

(ii) Quarterly Report

D Macaulay confirmed that WIE had received, and have responded to, correspondence relating to the further development of the Uist Netwashing facility.

The quarterly report was noted.

(iii) Budgetary Update

D Macaulay confirmed the equity subscription in Camcal represented additional budget to WIE. D Macaulay also confirmed the budget spend to date was on schedule but the commitment levels remained high in relation to indicative budgets for 2005/06.

It was confirmed that the Environmental Renewal commitment included a small number of large projects.

The budgetary update was noted.

(iv) 2005 WIE Board Meeting Dates

Members noted the dates for 2005 WIE Board meeting dates.

(v) 2005 HIE Board Meeting Dates

Members noted the Western Isles proposed meeting dates for the HIE Board.

(vi) Review of HIE's Strategy

D Macaulay informed Members that publication of the refreshed version of Smart, Successful Scotland was anticipated within the next couple of weeks. HIE will then in turn refresh a Smart, Successful Scotland - the Highlands & Islands dimension.

D Macaulay also informed Members of a visit scheduled for 22nd and 23rd November by HIE Chair and HIE Chief Executive. Members were asked to note these dates in their diary.

9.04.6

MAJOR PROJECTS UPDATE

(i) Connected Communities

N Mackinnon spoke to this agenda item, highlighting procurement and construction work progress to date including the completion of the Stornoway fibre optic link.

Members stated they would be encouraged to see partnerships developed with local providers in relation to post construction training requirements.

Members requested clarification on the timescale for overall project. N Mackinnon confirmed the capital works would be a phased rollout from December 2004. He also confirmed that contracts would be awarded for day-to-day operation of the network. The anticipated timescale for customers to be connected to the network is July/August 2005.

N Mackinnon confirmed that the public sector partners were to be connected to the fibre optic link shortly and have agreed to a 3-year contract.

Members highlighted the need to implement an effective marketing plan in line with the project timescale.

(ii) Cambrian Caledonian Ltd

M Maclellan thanked D Macaulay for his intensive work and commitment involved in securing the Camcal project.

D Macaulay informed Members that the company was now officially known as Camcal Ltd, and that he would circulate summary information confirming the final detail relating to the project.

D Macaulay also confirmed that extensive additional due diligence by Charlotte Ventures and Scottish Enterprise was complete.

Members queried whether HIE/WIE had made an appointment to the Camcal Board. D Macaulay confirmed no appointment had yet been made but discussions were on-going. He also confirmed that a Donald Wright was to be appointed on behalf of Charlotte Ventures.

Members welcomed the finalisation of the negotiations.

(iii) Arnish

N Mackinnon verbally updated Members on progress with the upgrade of the Arnish yard. Issues being addressed include contract completion for Phase 1 of the re-development, and new legislation relating to the International Shipping and Port Authority Code. WIE is negotiating with the Port Authority in relation to Port operation and management responsibilities.

9.04.7 BUSINESS PLAN 2005/06

I Morrison spoke to this agenda item highlighting progress to date. He confirmed the Business Plan submitted is aspirational and dependant on budget availability. Early indications on the indicative budget from HIE show a substantial decrease in the discretionary budget for 2005/06.

Members acknowledged the difficulties in meeting the aspirations of the business plan with the budget proposed and D Macaulay confirmed that WIE are maintaining dialogue with HIE on this subject.

F Macdonald queried whether WIE should be more proactive in transport and infrastructure. D Macaulay stated that our current involvement includes encouraging partner organisations, with prime responsibility for transport and infrastructure projects, and facilitating progress in these areas. Examples included assistance with feasibility studies addressing Fares Mechanisms and service development, and funding contributions towards Leverburgh Pier and Eriskay Causeway projects.

9.04.8 HIE STRATEGIC RISKS + WIE RISK RETURN AS AT END SEPTEMBER 2004

M MacLennan introduced the agenda item and asked for comments on the amendments proposed.

R Mackenzie highlighted a concern relating to the quality of service and value for money received from the general supply partner. D Macaulay confirmed this had been identified through the risk register and staff acknowledged the concerns raised. Members agreed no further amendment was required to the risk return.

Members recommended an increase to the risk factor relating to the transmission of renewable energy, under the external risk category. This was agreed with a recommendation to transfer the risk to partner organisations including HIE, WIAREP and CNES.

Members discussed the risk relating to the UHI. L Macaulay confirmed that fortnightly meetings were held with Lews Castle College management and confirmed that D Green, Principal of Lews Castle College had been invited, and agreed, to attend a future board meeting to present Members with information on progress with UHI and Lews Castle College.

9.04.9 BOARD MEMBERSHIP

M MacLennan indicated that he had been unable to attend the nominations panel meeting and thanked F Macdonald for his attendance.

F Macdonald highlighted issues raised at the meeting including the need, following recent changes, to have a Council member on the board.

Members agreed to the recommendations made in the report, to approach three individuals and revisit the remaining vacancy at a later stage. Members agreed for D Macaulay to progress the recommendations and invite new Board Directors to the December Board meeting and also to the HIE Chairman and Chief Executive visit scheduled for November.

9.04.10 OTHER BUSINESS

G Morrison updated Members on issues relating to Freedom of Information and WIE's progression towards compliance with the Act, including the publication scheme being available from 30th November 2004.

Members highlighted particular areas of concern relating to retrospective client confidentiality and communication required to current and future clients.

With no further business, the meeting was closed.