

**MORAY BADENOCH & STRATHSPEY
ENTERPRISE COMPANY**

MINUTES OF MEETING OF DIRECTORS

THURSDAY 12th MAY 2005

at

HORIZON SCOTLAND, FORRES

PRESENT	Derek Bedford Geoff Crowley Cliff Deans Basil Dunlop Peter Laing Duncan MacKellar Ken MacMillan Chris Piper	Chairman
APOLOGIES	James Campbell	
IN ATTENDANCE	Douglas Yule James Gibbs Adrian Kitson David Reid Roger Edwards Carol Fairbairn	Chief Executive Head of Operations Head of Executive Office Snr Development Manager Snr Development Manager Executive Assistant
APOLOGIES	Anne Angus Roddy Dyce Steven Hutcheon	Snr Development Manager Snr Development Manager Snr Development Manager

1. WELCOME AND APOLOGIES

- 1.1 The Chairman welcomed Directors and MBSE staff to the meeting with a special greeting to Lucinda Gray who is visiting MBSE on learning attachment from AIE.
- 1.2 DB confirmed to Directors that both Jim Logan and Sue Swift had resigned and that letters of good wishes had been forwarded.
- 1.3 The board considered the proposed appointment of Mr Eddie Coutts, as the Moray Council nominated representative on the Board. This was unanimously **AGREED**.

2. MINUTES OF PREVIOUS MEETING

Amend paragraph 5.1 Forestry and Timber Resources as follows:-

- Change “Forestry Commission (FC)” to read “(FC) Scotland”.
- Amend “machine proceeding” to read “machine processing”.
- Amend “discussion on the issue” to read “discussion on the issues”.

The minutes were **APPROVED**.

3. MATTERS ARISING

3.1 Inverness Airport – A Regional Resource

Following on from the last meeting, it was noted that work to begin the new access road to Inverness airport was imminent.

3.2 HIE Strategy Consultation Process

DJY thanked Directors for their contributions to this discussion, and noted that a Board response had been submitted to HIE.

4. OPERATIONAL ISSUES

4.1 Resignations of Directors

DJY informed Directors that expressions of interest in joining the Board would be advertised in June.

4.2 Grampian Country Pork Closure

DJY summarised the position regarding the announcement of the closure of Grampian Country Pork in Buckie, and the potential effects on the workforce and the local area.

MBSE initiated the local PACE arrangements (a public sector partnership to co-ordinate actions) with Roger Edwards leading this strategy. The potential for re-training & re-skilling is being examined and career advice agencies and others will visit GCP to speak with staff on site. Moray Council will attend to provide advice on housing benefit issues and access to information for those facing redundancy.

DJY arranged and visited GCP factory at Broxburn on 9th May. At his invitation the three Buckie Councillors also attended the meeting. The business case for the announcement and decision was outlined by the company.

MBSE has invited the company to contribute financially to the creation of a training fund which, if received, could be matched by public agencies. This is currently under consideration.

HIE's Inward Investment team will also be involved to try and identify potential investment opportunities from outwith the area. The factory is both Health & Safety and Food use compliant, and would easily convert to other food processing uses.

4.3 RAF Announcement & Meeting with the First Minister

DJY summarised the issues announced by MoD in late March, particularly noting that 935 jobs would be lost over the next three years, but as yet an unspecified pattern of reductions. What was known was 300 job reductions will be realised by the end of 2005.

The publication of the summary of the Economic impact assessment was made following the announcement, and the final report had now been produced and distributed.

DJY accompanied by the CEO and Chairman of HIE and the CEO and Convenor of the Moray Council, briefed the First Minister prior to a meeting of the Highlands & Islands Convention in Shetland.

It was noted at the meeting that additional resource would be needed to tackle the issues arising. Concerns were raised as to the seriousness of the situation and the long term direction of Moray's economy where issues of low pay and retention of skills are key issues. The need for diversification of the economy and development of a more entrepreneurial culture were identified as key objectives for the future.

The First Minister requested the preparation of a strategy to deal with these and other long term issues, and that we should bring forward investment plans where possible, and a range of new projects and initiatives that could be included as part of an action plan for the area.

This plan would then be assessed against available resources and decisions made on the need for additional investment allocation.

The FM confirmed the meeting outcome by announcing the creation of a Task Force for the area which would work to HIE/MBSE in tackling these issues going forward.

Work has already begun on the creation of vision for the future, and the first of a series of "Visioning Workshops" will take place on 20th May to discuss what Moray might look like in the next 10-15 years.

Directors were requested to attend this event, which will also include representatives of Moray Council, and directors of NHS; Community Scotland; VisitScotland; Moray College UHI and others. A Private sector workshop will take place in June.

4.3 Freedom of Information

AK updated the Board informing them that all requests for information had been answered to date within the timescale. A report was circulated to Directors.

4.4 Tomintoul CHP Plant

DJY informed the Board that MBSE has continued to enter into dialogue with KaTCA regarding their plans for a new alternative site for the CHP plant. Due diligence is now underway on that revised business plan, and we will then assess the plan against eligibility for assistance. The issues of displacement on which the previous business plan had foundered, will be re-assessed given the changes in the plan, and the passage of time since that decision was made.

KaTCA (Kirkmichael & Tomintoul Community Association) are also to take legal advice on the contract arrangements they had previously entered into with their project manager. MBSE has offered to fund legal advice in setting up a more robust company structure if they decide to go forward.

At the instigation of KMacM, the Chairman formally moved that Directors commend staff for their actions in this project and this was AGREED.

4.5 Network Conference

The Network Conference will see the launch of the refreshed strategy document SSSHI and will take place on 16/17th June 2005 in Aviemore Highland Resort. The Depute First Minister will be addressing the conference. Chief Executives and Chairs and Directors from all LECs and HIE will attend and the Chairman requested 2/3 Directors from MBSE should attend as well as himself and DJY.

5 STRATEGIC ISSUES

5.1 Moray Labour Market Profile

Andrea Rutherford of Future Skills Scotland gave a presentation to the Board on the above. It was revealed that a very low percentage (c1.8%) of the 5700 vacancies in Moray were hard to fill due to skills shortage. The majority of skills gaps were short lived with little or no impact on business. During discussion the issue of disabled and immigrant labour was discussed.

Representatives from the Dept of Work & Pensions, the Shirlie Project are to be invited to the Board meeting. Moray College are also to be invited to give presentations to a future Board meeting.

Enquiries are to be made to ascertain whether it is possible to do an attitudinal survey of employer & employees in the near future. **Action – JG**

DJY thanked Ms Rutherford for her presentation.

5.2 2004/05 Year End Targets

The Chairman thanked staff for their efforts during the year, and in particular for ensuring that just over £8m was paid out to AHR, a project that had been in planning for some eight years.

DJY circulated a report on this year's budget, spend and targets and discussed the broad themes that had emerged.

JG highlighted the target areas where we had been successful and also those few where targets had been undershot. He informed the Board that this year's targets would be focussing on quality rather than quantity, aiming for jobs targets that paid higher remuneration, which tended to be in high growth sectors often with an emphasis on innovation.

5.3 Strategy for East Moray

DR/JG gave a presentation to the Board outlining issues in East Moray and the need to be more ambitious for the future.

Primary areas for concern in Moray are RAF jobs reductions, developing new infrastructure, and an ageing & declining population. The repercussions of the Grampian Country Pork company closure and fishing industry decline were also discussed.

The strategy document will now feed into to the overall business planning process for Moray, along with the need to feed into the wider diversification strategy for the area, Moray 2020.

5.4 The Moray Task Force Project

DJY gave a presentation to the Board on the feedback from the EIA report which was completed and distributed recently. He discussed the impact of RAF jobs reductions in Moray where RAF personnel and their families account for 21% of all FTE employed in the area. The area also has a larger than average share of primary processing and manufacturing, tourism all of which led to a low average wage environment. The entrepreneurial culture of the area was not dynamic, leading to low average rates of business start up.

DJY confirmed a Task Force Project Team would be recruited following local and national press advertising. The team would deal with skills issues and opportunities for new business growth mostly arising from activities at the Bases. The importance of the development of infrastructure was also highlighted as important in support of the overall strategy implementation.

The emerging proposals will be contained within a strategy document for the area called Moray 2020, which would contain a costed action plan, & would be submitted to the Scottish Executive by summer/autumn 2005 for them to assess current resource implications.

The initial visioning workshops with public sector organisations have been arranged for the 13th and 20th May, with private sector and young person's events planned for June.

6 ANY OTHER BUSINESS

6.1 Private Sector Investment

The Board discussed the reported delays locally in getting planning consents processed, and delays with other infrastructure consent were a cause for major concern by the private sector making such investment.

DJY suggested that staff raise these issues at officer level with the Moray Council

Action – DJY

6.2 Staff Issues

At this juncture, LEC staff withdrew from the meeting to allow Directors to have a private discussion.

7 DATE OF NEXT MEETING

To be confirmed and notified.

Action - AK