

**MORAY BADENOCH & STRATHSPEY
ENTERPRISE COMPANY**

MINUTES OF MEETING OF DIRECTORS

TUESDAY 24th FEBRUARY 2005

at

ABERLOUR DISTILLERY, ABERLOUR

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

1. WELCOME AND APOLOGIES

The Chairman welcomed Directors and MBSE staff to the meeting.

2. MINUTES OF PREVIOUS MEETING

Paragraph 1.1 Remove “Scots” from the first bullet point.

With this minor amendment, the minutes of 14th December 2004 were **APPROVED**.

3. MATTERS ARISING

3.1 VisitScotland

DB updated the Board on his attendance at the AGTB meeting of 21st January 2005. The Chairman will meet with the CE of VisitScotland on 7th March at the next scheduled meeting and he will also attend the final Board meeting of VisitScotland on 14th March 2005.

4. OPERATIONAL ISSUES

4.1 Visit by HIE Chairman

DJY took Directors through a presentation that had been given by the HIE Chairman recently. The Chairman also indicated Willie Roe asked if he might visit the East Moray area in the near future. This is to be arranged around a reception at the East Moray office.

4.2 Aviemore Highland Resort (AHR)

DJY updated the Board informing them that prepayment conditions had now been met and agreement reached on the remaining documentation. HIE's equity stake subscribed in December 2004. AHR's initial claim has been received and is undergoing due diligence.

It was NOTED that consideration must now be given to the nomination of an MBSE Director to join the AHR Board.

4.3 Cairngorm Mountain Ltd (CML)

JG updated the Board on financial matters at CML.

Up to date figures showed 20k skiers to date and the company hopes for 40k by the end of April 2005, whilst visitor numbers stand at 120k. Staff have been multi skilled to good effect and staff costs are now contained within budget.

The skiing figures for March continue to be critical in terms of the final outcome for the year end.

4.4 Freedom of Information (FOI)

AK informed Directors that all enquiries had been put to HIE initially and then forwarded to MBSE. A report was given to Board members showing all enquiries to date.

Minor amendments are to be made to wording in the report for clarification.

Action – AK

4.5 RAF Reports

DJY informed members that the final draft of this report is with the RAF for signing and a meeting is planned for 7th March 2005.

In due course, bound copies will be forwarded to Directors and a copy of the Executive Summary of this document will be emailed when available.

4.6 Combined Heat & Power Plant (CHP) – Tomintoul

JG/DJY updated the Board informing members that a meeting had been held in Tomintoul with representatives of the Kirkmichael and Tomintoul Community Association.

Following that meeting, and subsequent new information coming forward on a new site, officers are progressing diligence on an amended business plan. We will also review the displacement issue on wood supply. This review does not imply we are of the view that the displacement issues had changed, but given the lapse in time since the original examination, it was felt prudent to check this again, against the latest business plan.

This project remains one of high reputational risk on the MBSE quarterly risk register which the audit committee review in detail.

5. **STRATEGIC ISSUES**

5.1 Forestry and Timber Resources

The Chairman welcomed John Risby of the Forestry Commission (FC) Scotland and, after a brief scene setting by DY, Mr Risby outlined Forestry Commission policy and strategy in the Moray and Grampian areas.

In particular it was noted that:-

- an economic evaluation of this sector has been commissioned to provide information and assess the existing contribution to the areas economy
- Moray was the most heavily wooded county in Scotland, but much Scots pine, which did not always lend itself to machine processing.
- There is a growing interest in community enterprise within the sector
- FC are keen to examine opportunities for added value activities arising from the timber resource available
- NEFIC – North East Forestry Industry Cluster – is a new group bringing industry together with forestry and MBSE were invited to join the economic study group.

The meeting then had a general discussion on the issues. Staff are to maintain a close interest in the sector and with FC in the future in design of initiatives and programmes.

The chairman thanked Mr Risby for his presentation.

5.2 Inverness Airport – A Regional Resource

Mr Bob McLeod of Highlands & Islands Airports gave a presentation to the Board outlining strategy, costs, statistics and associated issues.

The Board discussed future opportunities for greater engagement with the Moray area as the airport traffic increases in the future, particularly following the expansion of the facilities and further route development. HIAL explained that the removal of the existing PFI arrangements remains pivotal to expanding the role of the airport and the volume of traffic.

The chairman thanked Mr McLeod for his presentation.

5.3 HIE Strategy Consultation Process

DY then took Directors through the thoughts of the HIE Chairman outlined at a recent Chairman's conference, and using the HIE consultation questionnaire, posed a number of questions around the future strategic direction of the Network.

The Board debated a number of key issues and concluded that the general direction on the strategy was the right one. The priority for the area to grow the knowledge economy and improve global connections was supported, whilst Directors emphasised the continued importance of support for existing traditional sectors. The Directors also debated the potential governance and structural change issues.

Staff were requested to bring the discussion together in a formal draft response, circulate that to all Directors for comment, and agree the final version with the Chairman before making a formal submission to HIE.

Action – All

6. ANY OTHER BUSINESS & DATE OF NEXT MEETING

6.1 Moray Council Representative on MBSE Board of Directors

DJY is to participate in discussions with Alistair Keddie and return to the Board with suggestions as to an MBSE representative.

Action – DJY

6.2 Date of Next Meeting

To be notified.

Action - AK