

**MORAY BADENOCH & STRATHSPEY
ENTERPRISE COMPANY**

MINUTES OF MEETING OF DIRECTORS

HELD ON THURSDAY 28TH OCTOBER 2004

at

THE APEX, FORRES

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

1. WELCOME AND APOLOGIES.

The Chairman welcomed two new Directors to MBSE Board, Geoff Crowley and James Campbell.

2. MINUTES OF PREVIOUS MEETING.

The minutes of 2nd September 2004 were **APPROVED** with amendments as follows:-

- a) Replace venue as 'The Highlands Hotel'.
- b) Remove Peter Laing from the list of those present.

3. MATTERS ARISING.

3.1 Rural Pay Phones

Representations are being made to BT highlighting the detrimental economic effect on rural areas which would result from the closure of rural pay phones.

3.2 Scottish Centre for Aerodynamic Research and Testing

DJY and JG visited this company in London recently and a number of issues are being investigated. It is likely to be February before there is anything further to report.

3.3 TSC

In the short to medium term, operations are being scaled down due to continuing challenges recruiting staff. Directors noted the position and discussed the implications for future growth of the area economy.

3.4 Horizon Scotland

The official opening of Horizon Scotland is planned for 11th November 2004 when the principal guest will be Gio Benedetti, a successful Scottish serial entrepreneur.

3.5 East Moray Office, Buckie

This office is now open and operational. The Chairman suggested that a future Board meeting be held in Buckie when a visit to this office could be included in the itinerary.

4. OPERATIONAL ISSUES.

4.1 Global Connections

Douglas MacDiarmid, Director of Global Connections HIE, gave a presentation to the Board outlining HIE's global connections strategy and highlighting some of the success stories in the Highlands.

4.2 RAF in Moray

DJY updated the Board, informing them that a Task Force has been formed comprising Moray Council; MBSE; NHS; Job Centre Plus; Careers Scotland; the Moray MP, Angus Robertson; and the Chamber of Commerce.

MBSE, accompanied by Moray Council and the local MP, gave a presentation to MPs in Westminster in September; and also briefed Scotland Office Minister, Ann McGuire regarding this matter.

An Economic Impact Assessment is being carried out in conjunction with the RAF and a 1st Draft may be available for the December Board meeting.

The Government's airfield review is ongoing, the result should be known mid to late 2005. Once a decision had been reached by the MoD, we will be better placed to consider what actions will be required.

In the meantime, contingency planning must begin in advance of any announcement, which will include a strategy to retain as many skills within the MBS area when and if reductions are announced.

A request has been made for a private meeting with the First Minister to coincide with the Convention of the Highlands and Islands

4.3 Aviemore Highland Resort (AHR)

DJY informed the Board that discussions are continuing regarding the company's financial re-engineering. Due Diligence is ongoing and it is hopeful we may be able to conclude a number of key issues before the next Board meeting relating to changes in the company structure.

4.4 Cairngorm Mountain Limited (CML)

DJY updated the Board on current performance.

The financial situation continues to be monitored by staff, and further discussions with the current financial partners are ongoing to identify a long term stable financial outcome.

4.5 Cairngorm and Glenmore Feasibility Study

This study is being carried out by Professor Terry Stevens and the 1st part of the report is complete following wide-ranging consultation with the industry locally and it was noted SNH, Forest Enterprise, CNPA all participated in, and contributed to, this study.

A special Board meeting is to be held on 17th November when Prof. Stevens will give a briefing on his report at this stage. An executive summary of the feasibility study is to be circulated to Directors prior to this meeting, to which HIE representatives with a particular interest in tourism, will be invited.

5. STRATEGIC ISSUES

5.1 Half-yearly Financial Figures

DJY informed the Board that 49% of 2004/05 budget has now been spent.

It was also noted that £7.9m has been ring-fenced for AHR in the 2005/06 budget, in addition to MBSE's budget allocation for that year.

Directors asked for clarification of a number of figures where it appeared there had been a mis-allocation of costs and the resulting amended papers are to be circulated when ready.

5.2 Draft Business Plan 2005/2006

DJY introduced the Draft Operating Plan to which a number of amendments and suggestions were made.

The amended plan is to be circulated to Directors as soon as this is completed.

6. ANY OTHER BUSINESS & DATE OF NEXT MEETING

6.1 Shirlie & TAG Projects

KMac requested information on these two projects.

6.2 Forestry Commission for Scotland

CP requested any information on any existing partnership arrangements with FE. DJY replied there were none but that CP would be invited to contribute to any subsequent discussions with FE.

6.3 BT Rural Telephones

CD informed the Board that, rather than a block petition, if application is made to BT on an individual basis, they would re-consider the removal of rural telephones.

6.4 SDRC

DJY updated the Board on projects being carried out by SDRC who have now been accredited through UHI. The Board requested a written update on the progress of SDRC for the next meeting.

6.5 Biomass

DJY informed the Board that a biomass strategy for renewables in Moray is to be progressed jointly with The Moray Council.

6.6 Date of Next Meeting

Special Board Meeting – Wednesday 17th November 2004, 6:30pm at the Craigellachie Hotel to receive a presentation from Prof Terry Stevens.

Board Meeting – Thursday 16th December at 4pm – venue tba.