

FOR PUBLICATION

MG 03/05

HIGHLANDS & ISLANDS ENTERPRISE

MINUTE OF THE MEETING OF THE MANAGEMENT GROUP HELD ON MONDAY, 24 JANUARY 2005

PRESENT: J R A Cumming (Chief Executive)
A B Brady (Director – Strategy)
F Duthie (Director - Corporate Services)
D MacDiarmid (Director – Global Connections)
S Myles (Director – Human Resources)
W Sylvester (Director – Partnership Projects)
J Watt (Director - Strengthening Communities)
J Wright (Director – Growing Businesses)
C C G Davidson (Growing Businesses) (Items 5 and 6 only)
A Murray (Developing Skills)
D Cowan (AIE) (by VC) (Items 4 and 7 (1) only)
A N Ross (Secretary)
M Anderson (Executive Office)

1 MINUTES OF THE MEETING HELD ON MONDAY, 17 JANUARY 2005 (MG 02/05)

These Minutes were approved.

2 MATTERS ARISING NOT COVERED ELSEWHERE ON THE AGENDA

Paragraph removed for reasons of commercial interest.

3 FINANCIAL STATEMENT – NINE MONTHS TO 31 DECEMBER 2004 (HIE 2004/02409)

The Group noted this paper and welcomed the positive trends and performance. An updated summary would be submitted to the HIE Board on 15 February.

4 DEMOLITION OF THE FORMER JAEGER FACTORY, CAMPBELTOWN (HIE 2004/03794)

The Group noted that since Jaeger had ceased their clothing manufacturing operation in Campbeltown in 2001, the premises from which they had operated had remained vacant, despite marketing efforts since that time to attract a new tenant. Over the four year period, the property had deteriorated, and the Network had continued to incur significant costs on repair and maintenance and insurance. Taking account of these facts, and noting that there was no longer any prospect of securing an occupier who could bring the property back into economic use, this paper sought approval for demolition of the property, thus minimising future outlay. In regard to landscaping of the site following demolition of the building, it was noted that a study was being undertaken into the potential for development of Campbeltown town centre, including the Jaeger site. The study was expected to be completed within the next three months and, following consideration of its recommendations options for the site would be considered. It was also confirmed that discussions had taken place between AIE staff and HIE's Communications team regarding media coverage of the proposed demolition. Approval was therefore given for the demolition of the former Jaeger factory in Campbeltown at a cost of £294,500, to be debited from AIE's Block A budget in the 2004/05 financial year.

5 INNOVATIVE TECHNOLOGY MARKETING FOR SMEs – PILOT (PCS 34800) (HIE/2005/00127)

This paper proposed HIE's involvement in a Scottish Executive funded, 12-month pilot to address the need to provide global level marketing services on a continuing basis to SMEs involved in the development of innovative products and services, particular those based on technology and being supplied to other businesses. It was intended that the pilot would concentrate on a small number of micro-businesses working in the ICT sector in the Highlands and Islands, with the results applicable to SMEs throughout Scotland and in other technology sectors. In approving this proposal, it was agreed that Jackie Wright, Director of Growing Businesses, would assume responsibility for managing the dialogue with both the HIE Network LECs and Scottish Development International and for operation of the pilot programme. It was agreed that funds of up to £100,000 be debited from the Growing Businesses budget for 2005/06, conditional on receipt of a formal letter from Scottish Executive confirming availability of the additional funds for this purpose in the Spring budget round.

6 MARKETING FOR SMEs (PCS 34785) (HIE/2005/00127)

It was noted that the Scottish Innovative Actions Programme supported pilot projects which addressed current weaknesses in the provision of innovation support in Scotland. The programme operated under four key themes and was designed to pilot and test new approaches to innovation using ERDF, which could be "mainstreamed" post-2006. HIE, in partnership with Scottish Enterprise and the Scottish Executive, proposed to submit a pan-Scottish application on one of the key themes, Innovative Marketing and Product Launch, aimed at helping SMEs create and access new markets from their innovation and the results would be applicable to SMEs across Scotland and in other technology sectors. This work would run in parallel with the pilot project to assess the need for global level marketing services. In approving the proposal, the need was agreed for the involvement of HIE Network LECs and Scottish Development International. It was also agreed that efforts be made to secure at least 10% of the activity in the Highlands & Islands. Approval was therefore given for a total network contribution of £21,000 towards this project, to be debited from Block A, Growing Businesses budget for 2005/06.

7 OTHER BUSINESS

(1) CAMPBELTOWN NEW QUAY (AIE 2005/00092)

The Group noted that, since its approval of a contribution of £200,000 towards the capital costs of extending the New Quay at Campbeltown, the design had been refined, resulting in a significant cost increase. Noting the request for release of HIE's contribution in the current financial year, it was agreed that the Project Undertaking with Argyll and Bute Council be amended to reflect the increased project costs and early release of funding, subject to confirmation of full contract award, and evidence of expenditure of at least £200,000, and with the proviso that no additional funding was available from AIE.