

MINUTES OF THE MEETING OF THE BOARD HELD IN PUBLIC ON TUESDAY, 27 MARCH 2007 AT 1330 IN AN LANNTAIR STORNOWAY

PRESENT: William Roe (Chair)
Sandy Cumming (Chief Executive)
George Campbell
Wilma Campbell
Lyn Forbes
Duncan MacInnes
Angus Mackenzie
Andy Rogers
Grant Sword
Susan Torrance

IN ATTENDANCE: Sandy Brady (Director - Strategy)
Forbes Duthie (Director – Corporate Services)
Alex Paterson (Director - Developing Skills)
Jackie Wright (Director – Business Growth and Research)
John Watt (Director - Strengthening Communities)
Douglas Yule (Director – Area Operations)
Finlay MacDonald (Chair, HIE Innse Gall)
Donnie MacAulay (Area Director, HIE Innse Gall)
David Smillie (Strengthening Communities) (Item 9)
Anna Miller (Executive Office)
Anne Muirden (Executive Office)

1 INTRODUCTION BY WILLIAM ROE, HIE CHAIR/SUMMARY OF MATTERS DISCUSSED AT PRIVATE MEETING

The Chair welcomed everyone to the fourth meeting of the Board held in public. He informed the meeting that at the private session held earlier the Board had considered three major investment cases.

2 WELCOME TO HIE INNSE GALL AREA BY FINLAY MACDONALD, CHAIR OF HIE INNSE GALL

Finlay MacDonald, who had recently been appointed Chair of HIE Innse Gall, welcomed the visit of the HIE Board to the area. He looked forward to building on the work of his predecessors, working with fellow board members and staff to meet the immense challenges and opportunities which had still to be realised in these unique islands.

Responding, the Chair referred to several encouraging developments in the Outer Hebrides. The previous evening, the Board had met the board of Lews Castle College over dinner when they had heard about the development of their research facilities. He also looked forward to performing the official opening of the College's new Learning Resource Centre that evening. HIE had just announced the award of £250,000 towards the Gaelic Media Service's re-development of TV studios in Stornoway which would attract new entrepreneurs and create new jobs.

3 APOLOGY

An apology for absence was intimated on behalf of Drew Ratter.

4 DECLARATION OF INTEREST

There was no declaration of interest.

5 MINUTES OF THE MEETING HELD ON TUESDAY, 20 FEBRUARY 2007 (HIE 1/07)

These Minutes were approved.

6 MATTERS ARISING

Referring to Item 6 of the minutes, Sandy Brady said that the Operating Plan 2007-2010 had been signed off by the Scottish Executive and was publicly available. A shortened version in a more attractive format was being prepared as part of the Year End process. The Board noted that a decision on the future of the Initiative at the Edge programme - Item 7 - had been deferred by the National Steering Group until October. Responding to a point about Flybe's take-over of BA's Inverness to Gatwick service - Item 8(2) - the Chief Executive said that he would circulate to Board Members a note about the level of service Flybe intended to provide.

7 RESOURCES AND GOVERNANCE

(1) FINANCIAL STATEMENT: 11 MONTHS TO 28 FEBRUARY 2007 (HIE 2005/01305)

The Board noted the income and expenditure figures to the end of February. Forbes Duthie reported that 90% expenditure had been achieved against a target of 92%. However, with additional resources from the Executive, this had diminished to 77%. Prospects for a satisfactory outturn were good, however, as only £3 million remained to be spent by the final week in March, and Mr Duthie was confident that this would be achieved by the end of the financial year.

The Board welcomed the report and commended Mr Duthie and his team, along with all other staff who managed resources within the Network, for achieving the goal of not only investing all the funds which the Executive had made available to the Network for 2006/07 but an additional £10 million provided later in the year.

(2) DRAFT MINUTE OF THE HEALTH AND SAFETY COMMITTEE MEETING HELD ON 6 MARCH (HIE 2005/01410)

This paper was noted. On a question about the survey of buildings containing asbestos, Lyn Forbes, Deputy Chair of the Committee, said that, following termination of the current contract, staff were taking steps to appoint another firm to complete the survey of remaining buildings by June.

8 BUILDING THE OUTER HEBRIDES ECONOMY – PRESENTATION BY DONNIE MACAULAY, AREA DIRECTOR OF HIE INNSE GALL

Donnie Macaulay, Area Director of HIE Innse Gall, gave a presentation on the economy of the area and issues facing HIE Innse Gall as it sought to develop one of the Network's most fragile

areas. He emphasised the uniqueness of the Outer Hebrides in terms of its distance from the mainland, its 11 inhabited islands, the high proportion of land under crofting tenure, and its concentration of Gaelic speakers. Challenges remained in terms of affordable housing and population drift and decline. However, prospects for regeneration had been identified and HIE Innse Gall was closely involved with community planning partners in developing the following sectors: renewable energy, the knowledge economy, tourism, culture and heritage, business infrastructure and jobs dispersal, and UHI. There had been some significant Network investments in recent years: Arnish Point where £11m had been invested in infrastructure improvements and which was about to enter its second Phase; and aquaculture which had become an important employer in farming and processing. In terms of transport improvements, Mr MacAulay cited the introduction of the Air Discount Scheme which had brought about a 10% growth in passenger numbers. With the possibility of a similar scheme being introduced by the Executive for ferry fares, he felt that the impact on business growth and population could be considerable.

In a wide-ranging discussion, the Board raised issues relating to community buy-outs, population trends, employment constraints, training in the tourism industry, support for the traditional primary sectors, and transport. Board Members had been encouraged on their visits to projects the previous day, to see the level of community empowerment now existing among island communities demonstrated by the number of estates now under community ownership as a result of assistance from the Community Land Fund. Given the importance of transport in unlocking the economy of the area, it was agreed that some analysis should be done on the long term benefits of a fixed link to the mainland which could have a huge impact on transport to and from the islands.

9 HIE'S RESPONSE TO THE DRAFT (SCOTLAND) CULTURE BILL AND GUIDANCE DOCUMENT (HIE 2005/00919)

Introducing this paper, John Watt summarised the four main areas of the draft Bill and the issues which were of interest to the Network. The intention of HIE's response was to make clear to the Executive the extent and impact of HIE's role, not only in the Creative Industries, but in the provision of culture as a whole.

The Board welcomed the commitment of the Scottish Executive to promoting the Arts and Creative Industries in Scotland, and agreed with the suggestion in the draft response that HIE and Creative Scotland should form a strong and stable development partnership in order to bring the benefits of the creative economy to the Highlands and Islands. It was agreed to finalise the response, giving greater emphasis to the issues raised regarding HIE's role in the development of culture both as a community benefit and as economic development. It was also agreed that, as well as drawing attention to our partnerships with cultural agencies such as HI-Arts, Feisean nan Gaidheal and Prioiseact nan Ealan, the legacy of Scotland's Year of Highland Culture 2007 in creating strong and enduring partnerships should also feature in the response.

10 MONITORING REPORTS

(1) CHAIR'S AND CHIEF EXECUTIVE'S UPDATES

The Chair informed the Board of a number of bilateral meetings which he and the Chief Executive had had in recent weeks: the Chair had taken part in the Convention of the Highlands & Islands in Stornoway on 5 March; a working dinner was held in Thurso with the NDA and key partners; they had met their counterparts in Scottish Natural Heritage to discuss topics of mutual interest; and meetings had also been held with representatives of Argyll & Bute Council and the Highland Council.

The Chief Executive said that he had attended the SCDI's annual forum the previous week in St Andrews on the subject of "A Climate of Change" and found it to be a stimulating and inspiring event. He felt there would be value in Board Members attending future forums.

(2) HIE NETWORK GENERAL UPDATE

This paper was noted. Referring to the Inquiry into the Future of Scotland's Hill and Island Areas by the Royal Society of Edinburgh, it was reported that Drew Ratter had been appointed to sit on the Inquiry.

11 OTHER BUSINESS

(1) KEITH OFFICE DEVELOPMENT (HIE 2006/00035)

Assistance of £1.149 million had been approved for this project by the Board on 14 November 2006 for the construction of speculative office accommodation on a site in Keith. Since then a target cost report had been received from Synergie Scotland showing an increase in costs as a result of additional design fees, additional construction costs for marketing, and other costs associated with risks newly identified. The paper had been circulated to the Board earlier and it had been agreed to approve the additional funds as per the paper. The Board's decision to approve the increased costs of £87,000 to be debited from HIE Moray's budget in 2006/07 was therefore homologated.

(2) FEEDBACK ON VISITS

Board Members reported on three group visits made the previous day to Network-assisted projects in the HIE Innse Gall area. Members had been greatly impressed with the achievements of all the businesses and community projects visited and were particularly encouraged by the progress made by Storas Uibhist whose recent buy-out of the estate covering South Uist, Benbecula and Eriskay had been a huge step forward for the community. It was recognised however that the board faced challenges in coming months in appointing a suitable Chief Executive and staff, and in uniting the community behind them.

The Chair thanked the public and media for attending the Board meeting, and intimated that the next meeting would take place in the HIE Caithness & Sutherland area on 15 May.

A C Muirden
13 April 2007