

# FOR PUBLICATION

MT 17/07

## HIGHLANDS & ISLANDS ENTERPRISE

### MINUTE OF THE MEETING OF THE MANAGEMENT TEAM HELD ON TUESDAY, 19 JUNE 2007

**PRESENT:** Sandy Cumming (Chief Executive)  
Sandy Brady (Director – Strategy)  
Forbes Duthie (Director – Corporate Services)  
Alex Paterson (Director – Developing Skills)  
Jackie Wright (Director – Business Growth & Research)  
Douglas Yule (Director – Area Operations)  
Stuart Robertson (Global Connections)  
Anna Miller (Executive Office)

**1 MINUTES OF THE MEETING HELD ON MONDAY, 4 JUNE 2007 (MT 15/07) (HIE 2004/00262)**

These Minutes were approved.

**2 HIE DELEGATED LEVELS OF AUTHORITY – EFFECTIVE FROM 1 JULY 2007 (HIE 2004/03534)**

It was recalled that this paper had been deferred at the meeting of the Management Team on Monday 4 June 2007 in order that changes could be made. Following discussion it was agreed to submit the paper to the HIE Board with a recommendation for approval at their meeting on 25 June 2007.

**3 DEBT REPORT AS AT 31 MARCH 2007 (HIE 2006/007768)**

This six monthly report outlined details of loan and rent arrears due to the HIE Network at 31 March 2007. The loan capital balance at this date was £2,225,058 for HIE and £3,355,681 for the LECs. The Management Team welcomed the reduction in rent arrears over the six month period from 30 September 2006.

It was agreed to submit the paper to the HIE Board with a recommendation for approval at their meeting on 25 June 2007.

**4 FINANCIAL STATEMENT – TWO MONTHS TO 31 MAY 2007 (HIE 2005/01305)**

The report summarised the financial position for the two month period to 31 May 2007. It was noted that spend over the two months had reached 13%, ahead of the same period last year. The Director of Finance drew attention to the fact that strong spend would have to continue in order to meet 25% in the first quarter. Regarding Block B spend, the Director of Human Resources and Facilities was requested to provide a breakdown of Block B expenditure, outlining forecast spend to achieve the desired out-turn. It was agreed to submit the paper to the HIE Board with a recommendation for approval at their meeting on 25 June 2007.

**5 LEGAL EXPENSES 2007/2008 (HIE 2006/00657)**

This paper detailed the allocation of funds required for the purpose of legal expenses for projects at the HIE Network's own hand for the period 2007-08. In relation to projects that attract

significantly higher than average levels of legal expenses, Management Team rejected the recommendation to seek a contribution to the overall legal budget from the relevant business unit concerned. Following discussion, £500,000 was approved in respect of legal fees and expenses in the year 2007-08.

6 *Item removed for reasons of substantial prejudice to the effective conduct of public affairs.*

7 **OTHER BUSINESS**

(1) **PROJECT AMENDMENT APPROVAL: EMEC DECOMMISSIONING LIABILITY (HIE 2003/00175)**

The paper sought approval for the HIE Network to enter into a contingent liability by way of an undertaking to Crown Estate to underwrite the cost of de-commissioning wave and/or tidal devices at the EMEC test sites in Orkney, subject to a maximum liability of £990,000. This proposal superseded a similar proposed undertaking, to be given jointly with the Scottish Executive, which was approved by the HIE Management Team on 27 November 2006 and ratified by the HIE Board on 5 December 2006, under which the Network's exposure was capped at a level of £725,000. This earlier approved proposal had not been put into place.

In discussion it was noted that provision of this public sector guarantee was essential to enable EMEC to conclude formal Crown Estate leases for both of its test sites, and to finalise contractual arrangements with a number of device developers. It was agreed to submit the paper to the HIE Board with a recommendation for approval at their meeting on 25 June 2007.

A Miller  
20 June 2007  
HIE 2007/00262