

## FOR PUBLICATION

MT 19/07

### HIGHLANDS & ISLANDS ENTERPRISE

#### MINUTE OF THE MEETING OF THE MANAGEMENT TEAM HELD ON MONDAY, 9 JULY 2007

**PRESENT:** Sandy Cumming (Chief Executive)  
John Watt (Director - Strengthening Communities)  
Keith Bryers (Area Operations)  
Anne Murray (Developing Skills)  
Heather Negus (Global Connections)  
Owen O'Donohue (Corporate Services)  
Ruaraidh MacNeil (HIE Inverness & East Highland) (Item 2)  
Sandra McCaughey (HIE Caithness & Sutherland) (Item 3(3))  
Richard Myers (HIE Inverness & East Highland) (Item 3(4))  
Andrew Ross (Executive Office)  
Anne Muirden (Executive Office)

**1 MINUTES OF THE MEETING HELD ON TUESDAY, 19 JUNE 2007 (MT 17/07) AND SUB GROUP MEETINGS HELD ON TUESDAY 19 JUNE 2007 (MT 16/07) AND FRIDAY 22 JUNE 2007 (MT/18/07) (HIE 2004/0228)**

These Minutes were approved.

**2 CENTRE FOR HEALTH SCIENCE MANAGEMENT COMPANY (IEH 2007/00547) (NMS 236031)**

This paper sought approval of funds to create and run a new not-for-profit company to operate the Centre for Health Science project and to contribute to the ongoing development of a cluster of healthcare activity in the Highlands and Islands over a period of 3 years. Ruaraidh MacNeil reported that the project was progressing well with key milestones having been met or on target. However, a gateway review had recommended that, in order to realise the benefits of this major investment and take the project forward in the medium to long term, a new company should be formed comprising 3 members: HIE, UHI and the University of Aberdeen.

The Team welcomed and were encouraged by the success of the project to date which contributed to several of the Network's objectives and priorities. It was recognised that the company could not be formed without HIE funding and, because of the collaborative nature of the project which was essential to its success, the Network was in a unique position to play a highly pro-active role in bringing the benefits to fruition. Discussing the future of the project beyond the 3-year period of HIE funding, it was agreed that the new company should have no responsibility for future disposal of the asset but should concentrate their efforts on maximising the benefits of the facility. In approving funds of £973,896 towards the establishment of a company to manage and operate the Centre for Health Science, it was agreed that performance indicators and outcomes should be embedded in the agreement to support the project so that over the period of HIE's investment, ways of measuring its success could be clearly identified. Funds to be debited from HIE Inverness & East Highland's budget, £162,316 in 2007/08; £324,632 in 2008/09; £324,632 in 2009/10; and £162,316 in 2010/2011.

### 3 OTHER BUSINESS

(1) *This item has been removed for reason of commercial interest.*

(2) *This item has been removed for reasons of commercial interest.*

(3) **CAITHNESS HORIZONS LTD (CASE 2005/00188)**

In September 2005 funding was approved of up to £350,000 for the capital costs of redeveloping the former town hall building in Thurso as a multi-functional visitor/community facility. Although some enabling work had proceeded, the main contract for the building works had been delayed within the Highland Council who were acting as project managers. In addition, on checking the tender analysis arithmetical errors were noted resulting in revised costs for the project which at £4,023,299 were some 12% above the original pre-tender estimates. Noting that this was a strategic project for Caithness, and that the other funding partners – UKAEA, NDA and Highland Council – had confirmed a 50% contribution to the increased costs, it was agreed to contribute £145,802 towards Caithness Horizons Ltd, bringing the original grant award up to a total of £495,802; funds to be debited from HIE Caithness & Sutherland's budget, £28,000 in 2006/07; £307,802 in 2007/08 and £160,000 in 20078/09. It was agreed that this would be the Network's final contribution to the project.

(4) *This item has been removed for reasons of commercial interest.*

(5) **LEADER PROGRAMME**

John Watt reported that the LEADER Plus programme was now in its final stages but that the Scottish Executive Rural Affairs and Environment Directorate wished to introduce an element of LEADER-type projects as part of the Scottish Rural Development Programme, 2007-13. It was requested that, as an interim arrangement, up to March 2008, funds should be processed through HIE and its local enterprise company network to Local Action Groups to develop their plans for the next programme. It was agreed to support this interim arrangement, while making it clear that HIE was making no commitment to be involved in any further administration of the scheme.

A Muirden  
10 July 2007  
HIE 2007/00262