

MINUTES OF FOREST ENTERPRISE SCOTLAND MANAGEMENT BOARD MEETING HELD AT LOCHABER COLLEGE, FORT WILLIAM ON 11 JUNE 2007

Attendees:

Hugh Insley, Chief Executive
Les Bryson, Head of Operations
Moira Baptie, Environment Manager
Alan Stevenson, Communities, Recreation & Tourism Manager
Alan Duncan, Finance Manager
Nicol Sinclair, Forest Planning Manager
Laurie Tyson, Head of Estates
Stephanie Atwell, HR Manager
Kevin Peace, FDM Lochaber
Frances MacKenzie, Minute Secretary

Apologies were received from Michael Ansell.

1. MINUTES OF LAST MEETING

Some minor changes were made to action points but otherwise the minutes of the May meeting were approved.

2. MATTERS ARISING FROM PREVIOUS MEETING

- Procurement – Nothing new to report, further meetings being held in order to clarify resource required.
- Business Plan – Changes to the Business Plan had been agreed with Bob McIntosh and Paul Snaith to take account of the fact that we would not be calling on funding of £5m million per annum from the CUP. Hugh Insley stressed again the need for disposals to be concluded and money received by end January. Laurie Tyson pointed out that difficulties are likely to arise with NFLS cases. Laurie to discuss with Tods Murray.

Action: Laurie Tyson

- Key Agency Targets – Alan Duncan still looking for revised figures and wording for the Section 5 and 6 targets.

Action: Moira Baptie: Nicol Sinclair

- FES Operations Review – A meeting with Staff Council to discuss implementation of the review has been arranged for 6 July.

3. FINANCE REPORT

An update on the financial position for 2007/08 was given by Alan Duncan, who asked the board to agree figures to be reported to FC Scotland.

The main points are summarised below:

- Forecast remains at a deficit of £25.2 million as per budget
- Variances which have already been identified will need to be funded from additional income and/or savings in order to meet target figures.
- Harvesting Receipts (Cash) – May forecast is £40.3million which is 2% ahead of profile.
- Disposals – Land and Buildings – Revised cash forecast of £8 million.
- Land Acquisitions – Funding of £3.9 million is still available for further acquisitions.

4. REPOSITIONING SALES

Laurie gave an update on acquisitions and asked the Board for their opinion regarding the purchase of Corsehill, Aberdeenshire. They agreed that we should continue to progress the acquisition, at a higher price, if necessary.

Disposals – Senior staff are to meet by end June (probably am 29 June) to draw up a draft list of disposals which Nicol will extract from the portfolio analysis.

Action: Nicol Sinclair

Production forecast figures are also required by end July.

Action: Nicol Sinclair

5. PID: GLEN AFFRIC

Laurie Tyson asked the Board to support the PID and sought approval to proceed with this project. After some discussion they approved the PID and also capital funding in 2007/08 amounting to £240k (£200k already factored in, the remaining £40k to be taken from reduction at Glentress – funding now £960k for 07/08).

6. PID: CARRON VALLEY

Following a lengthy discussion the Board agreed that:-

- The case for investment in recreation at Carron Valley should take account of the overarching FCS policy direction and this should be published as soon as possible.
- FES should continue to invest in appropriate recreation facilities at Carron Valley, that meet the needs of a wide range of users and not just mountain bikers (ie phase1 in the PID).
- An increased business plan provision should be made in the forthcoming round, for recreational developments and upgrades, to be implemented in the District over the next 3 years.
- The proposed project management arrangements outlined in the PID must be amended to show FES taking the lead role, as is the norm for projects on the national forest estate.

- Recent discussions with key national public bodies with an interest in the continuing success of mountain biking developments (including any investment at Carron Valley) concluded that investment and development must take place within an agreed strategic framework. Such a framework will take account of the facilities audit being developed by Scottish Cycling and also the need for the activity/sport/facility management to be sustainable.

It was concluded that the PID needs to be simplified to take account of the above. Consideration of further investment in blue, red and black mtb trails were not ruled out but would depend on priorities, the availability of management resources and also the development of a proper business case with the business risks fully set out.

7. PID: ACCESS & INTERPRETATION PROJECTION – WILSONTOWN

Alan Stevenson presented the PID on The Wilsontown Industrial Heritage Project, which the Board approved in principle, subject to securing external funding. The decision on the external funding should be known by 26 June 2007 with the money being spent by March 2008. The FCS contribution (£9k) will come from the FD's own budget.

8. AOB

- PID (On the Ground Co-Location Project, Lochgilphead) – Laurie Tyson presented this paper and asked the Board's approval for FE to act as lead partner in this co-location project. The Board approved the PID in principle and **agreed** to FDM furthering the feasibility study and the provision of capital funding as outlined in the PID.
- Ministerial Visits – The Board had a discussion on procedures relating to Ministerial visits. More thought should be given to subjects offered to Ministers for visits and in future districts should route their suggestions through Kenny Murray/Steve Williams and then to FESMB Board. Districts to be informed of this new arrangement.

Action: Kenny Murray

The next FESMB will take place on 24 July 2007 (start time 9.30 am) and will be held at Highlander Way, Inverness.