

THE NDA NORTH HIGHLAND REGENERATION FUND

MINUTES of the 6th Board Meeting of the above named Company held at the NDA regional office, Freswick House, Forss on the 2nd April 2007 at 09.00.

PRESENT: John Thurso, MP (Chairman)
John Farquhar, NDA
Neil Robertson, New Park Management

IN ATTENDANCE: Derrick Milnes, Dounreay Stakeholder Group
Elizabeth Stephenson, NDA (Secretary)

APOLOGIES: David Flear, Highland Council
Prof. John Fyfe, Independent
Carroll Buxton, CASE

1 MINUTES OF THE PREVIOUS MEETING

The minutes of the last meeting were agreed and signed by the Chairman as a true record.

2 MATTERS AND ACTIONS ARISING

2.1 The updated Action List is attached.

2.2 ~~Minute redacted~~
~~Minute redacted~~

3 FINANCE

3.1 NR reviewed the figures up to the end of February 2007. The effects of the loan capital going out of the account in February (£101,000) were noted. The income figure will change again in the March 2007 figures as the loan repayments begin.

4 REVIEW OF PROJECTS AND ENQUIRIES

NR talked through the Applications/Enquiries status document. A number of new enquiries had been received:

~~Minute redacted~~
~~Minute redacted~~

The other new enquiries since the last meeting are ~~Minute redacted~~, ~~Minute redacted~~, ~~Minute redacted~~ all of which are going to provide further details.

There are two applications at the "Gathering Information" stage, ~~Minute redacted~~, ~~Minute redacted~~ both of which are to provide further information.
~~Minute redacted~~

There are two applications at the “Interview” stage, ^{Minute redacted} ~~Minute redacted~~ both of which are to provide further information.

There are two applications in the “Application Development” stage, ^{Minute redacted} ~~Minute redacted~~ ^{Minute redacted} ~~Minute redacted~~

There are three applications at the “Application Form” stage:

- ^{Minute redacted} ~~Minute redacted~~
- ^{Minute redacted} ~~Minute redacted~~
- ^{Minute redacted} ~~Minute redacted~~

5 CONFIRMATION OF APPROVED PROJECTS

There were no decision reports for the Board to review.

6 RISK MANAGEMENT

Action 6.1: JF to provide a pro-forma document for each board meeting

7 FREEDOM OF INFORMATION ACT PUBLICATION SCHEME

7.1 The Board were introduced to the need for a Publication Scheme under the Freedom of Information regime and a draft scheme was provided for review. The draft scheme was put together by Judith Hollands, who deals with Freedom of Information for the NDA.

7.2 JT asked whether the Scottish or English regime applied. ES believed that the English regime applied as the NDA NHRF was subject to Freedom of Information due to it being a wholly owned subsidiary of the NDA. [This was later confirmed in an email from Brodies solicitors].

7.3 NR confirmed that due to the need to publish documents, the running of the website will be kept in-house at New Park to ensure direct control of publication.

7.4 The Board had concerns over the amount of information which would be published. It was clarified that it is normal practice for documents to be redacted prior to publication. The Board did not believe publishing completely redacted minutes to be useful.

Action 6.2: ES to provide a briefing note on why the NDA NHRF falls under the Freedom of Information Act and what this means for the company.

8 DIRECTORS AND OFFICERS INSURANCE

JF noted he had completed a form on Directors and Officers Insurance.

9 LITIGATIONS RISK – BRODIES REPORT

9.1 The Board confirmed they had read the report and that the conclusions reflected the body of the report.

9.2 The Board agreed it was not necessary to include in the pro-forma loan agreement a clause which tries to exclude or limit liability should the NHRF breach its contractual

obligations. This was ruled out as it did not fit presentationally and would be inappropriate in the circumstances.

- 9.3 The Board noted the point that the NHRF should ensure nothing limits the discretion given by the scheme rules in promotional activities. NR noted all applicants are aware that decisions are made by the Board and thus no implied contract comes into place.
- 9.4 It was agreed that the NHRF would not wish to negotiate a contractual indemnity in the management agreement between NHRF and New Park.
- 9.5 The Board agreed it did not require Brodies to consider the steps the NHRF should take to minimise the risk of any state aid challenge. It was agreed that the amounts of money offered by the NHRF are insignificant under the state aid rules and thus the risk is minimal. The Board asked NR to add "state aid" to the decision report.
- 9.6 The Board agreed that it was not necessary to request further advice on minimising the risk of judicial review. This is very unlikely and an appeal process is in place to reconsider decisions.
- 9.7 The Board concluded that the paper was very useful but that the risks are minimal and no further action is required.

10 PRESENTATION ON EVALUATION CRITERIA

- 10.1 JF talked through the handout. A table at the top of the sheet shows 5 year turnover growth, sales outside the travel to work area, average margin on turnover and funding per job created. JF has set criteria, which automatically turn the boxes red, amber or green, depending on whether the criteria is met. For example, if turnover is less than 20%, the box is shown as red.
- 10.2 The funding table shows the percentage of funding provided by the NHRF in comparison to other funders. The pie chart automatically builds up so it is easy to see at a glance how much each organisation has provided.
- 10.3 Actual performance is tracked against planned performance and the two graphs show if the organisation is profitable and how many employees it has.
- 10.4 NR will ask each organisation to which money has been loaned to find the data set out in the tables. The sheet is intended to provide a fuller picture, both to the NHRF and to the NDA.
- 10.5 The Board agreed the concept was good but that there is a need for hard data, for example sales outside the area may only be an estimate as the business is unlikely to keep such statistics. The amount of information required could cause difficulties for some small organisations and thus it may be better to ask only those organisations who have received a loan over, say, £50,000. The criteria are more relevant for some types of businesses than others and margin is relative to business sector.
- 10.6 The Board agree to start building the data up and tweak it as appropriate when interpreting the data. The criteria will develop further and the sheet is to be used as a guide for the board – it should be indicative rather than absolute.

11 AOB

11.1 ~~Minute redacted~~

11.2

11.3

11.4

11.5 The Board discussed the mentoring scheme and agreed it was not necessary for all the organisations who requested loans. JF has access to a separate pot of money at Dounreay which could be used to fund mentors for those organisations who need them. The Board thought it would be useful to meet with the applicants quarterly to check how targets are being met.

11.6 JF has a draft press release for review by the Board. The Board delegated this task to JT, NR and JF to review after the meeting.

11.7 The Board noted a number of apologies for the meeting. ES confirmed that alternate directors could be appointed under the Articles of Association, although the Chair was not in favour of this on a regular basis.

11.8 It was agreed that the meetings can become bi-monthly, with the next meeting in late May, early June, followed by late July, September and November.

11.9 JF noted the query from ES on whether a P35 should be filed. The Board also noted that accounts should be filed at Companies House before 05.03.08.

Action 6.3: NR to speak to accountants regarding whether a nil return is necessary for the P35.

There was no other business and the meeting was closed.