

FALKLAND ISLANDS DEVELOPMENT CORPORATION

OPEN MINUTES OF A MEETING OF THE BOARD HELD AT 08.30AM ON TUESDAY 23 AUGUST 2011 AT THE CHAMBER OF COMMERCE, STANLEY

THESE MINUTES ARE DRAFT MINUTES UNTIL CONFIRMED BY RESOLUTION
AT THE NEXT MEETING OF THIS BOARD.

PRESENT	Hon. M Summers	(MS)	Chairman
	Hon. D. Sawle	(DS)	Second Elected Representative
	Dr Tim Thorogood	(TT)	Chief Executive - FIG
	Mr D Waugh	(DW)	General Manager - FIDC
	Mr T Blake	(TB)	Rural Business Association
	Mr T Miller	(TM)	Chamber of Commerce
IN ATTENDANCE	Mr S Manders	(SM)	Financial Controller - FIDC
	Mr R Granger	(RG)	Chief Internal Auditor - FIG
	Mrs M Trowell	(MT)	Company Secretary

Two members of the press and public were also present.

ACTION

1.0 APOLOGIES

- 1.1 Apologies were received from Hon B Luxton and Hon G Short (Hon M Summers attended as Chairman and Hon D Sawle attended as Second Elected Representative) and Mr P Trowell.

2.0 DECLARATION OF INTEREST IN ITEMS 5 TO 9

- 2.1 No declarations of interest were made.

3.0 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 7th JUNE 2011 (PUBLIC ISSUE)

- 3.1 The minutes were confirmed as a true and accurate record and signed by the Chairman.

4.0 MATTERS ARISING FROM THE MINUTES

- 4.1 Item 5.2
It was noted this matter has been completed and was addressed under agenda item 5.
- 4.2 Item 5.3.1
It was noted this item was addressed under agenda item 9.
- 4.3 Item 6.4
It was noted the fixed asset check on the West was not completed as NK was out of the Islands.
- 4.4 Item 7.4
It was noted this action was addressed under agenda item 7.

- 4.5 Item 7.5 **ACTION**
It was noted this action was addressed under agenda item 7.

5.0 GM ACTIVITY AND INFORMATION REPORT

- 5.1 The Board noted the content of the report.

5.2 FIDB Membership

- 5.2.1 DW informed the Board that The Governor has appointed each of TM and TB to the Board, commencing June 13th, 2011 and April 13th, 2011 respectively, for a period of two years. He also advised that FIFCA had provided written notification that Hamish Wylie has been nominated as the FIFCA representative on FIDB and that the process for formal appointment has begun. **MT**

5.3 Partnership with Chamber of Commerce

- 5.3.1 DW informed the Board that close contact is being maintained in respect of localisation and that the next meeting between the Chamber of Commerce Council and FIDC is being held on Thursday 25th of August.

6.0 FINANCE UPDATE AND MANAGEMENT ACCOUNTS

- 6.1 The Board noted the contents of the report.

- 6.2 SM noted the year end accounts are draft not final accounts.

- 6.3 Profit on disposal of assets was below budget due to some asset disposals, e.g. Reflections, taking longer to conclude than expected. These funds will be received in the 2011/12 financial year. Lookout Industrial Estate is progressing slowly.

- 6.4 SM noted that FIDC had actually utilised less than half the amount expected of last year's reserves. If FIG was minded to agree then the carry forward of the unspent reserves could be utilised in the future.

- 6.5 DS questioned the annual spend on Aquaculture. SM reported most was actually spent on the external market report. DS also asked how much it costs to run the Aquaculture project in its current operational form, SM advised approximately £3k a month.

- 6.6 MS asked management's view on why project actual spend against forecast was so low in the 2010/11 financial year. DW explained that it took a long time for the partners to agree the various strategic action plans following the staged approval of the EDS and TDS. Projects couldn't move forward without the framework and the necessary approvals. As the Board is aware from the various papers on this matter, the Corporation staff is relieved to finally have agreement on an outline delivery plan and it is to be expected that project spend performance should be much better in the current financial year as the organisation moves from strategy to delivery.

- 6.7 MS noted a lack of demand for borrowing from the private sector. DW said there is a need to advertise, promote and make clearer the resources available

in respect of loans and grants and business advice to both urban and rural businesses. If the Import Substitution budget proposal of £250k is agreed at ExCo, then the Corporation will have over £500k available, but will need to promote the availability. **ACTION**

- 6.8 MS questioned a target for cash reserves and asked whether or not FIDC or SFC have determined such a target. DW noted that neither the FIDB nor SFC have suggested that there should be a minimum. He further noted that, unless FIG agrees to a carry forward of unspent cash reserves from 2010/11, there will be no cash reserve at the end of this financial year. He further noted that FIG and the SFC have not expressed any concerns about this but it is not necessarily a comfortable position for FIDC to be in.
- 6.9 MS suggested that the next subvention request to FIG could provide for a, say, £350k cash reserve be provided next time in order for the Corporation to have a financial cushion and operational/project resilience rather than being dependent on supplementary allocation requests. SM noted that there is likely to be £500k of cash reserves at the end of June 2012, provided the budget for 2011/12 is met.

7.0 BUSINESS PLAN DELIVERY PROCESS

- 7.1 The Board noted and agreed with the report.
- 7.2 DW noted the Board had previously approved an outline Business Plan with a list of projects. The projects and activities shown in points 4.5 and 4.6 were approved by the Board and FIG during the subvention process. DW asked permission from the Chair to pass out an outline timetable for the current and future delivery of Business Plans to the Board and FIG. This timetable incorporated the final proposals contained in the FIDC Review that is being taken to ExCo by the FIG CE.
- 7.3 The draft FIDC review proposes a 3-4 year Business Plan cycle, with the first 12 months being detailed on an annual rolling basis, and a new Business Plan is to be created within 12 months of each general election - this was shown in the timetable.
- 7.4 Draft Project Execution Plans and a draft Business Plan will be presented at the FIDB October meeting and the Boards' view on those will result in a revised draft Business Plan to be presented at FIDB in December. The resultant final draft will then be proposed by FIDC to ExCo in January 2012.
- 7.5 MS questioned 4.5 Point 7 (Shipping and Containerisation) given comments in closed paper 515/11. DW noted that FIDC currently has no specific role or activity in container shipping and would not have unless requested by FIG to again become involved. TT noted FIDC's continued involvement in other shipping activity work in order to get everything working properly in the next 3 years. He therefore suggested that the project line remain in the BP. DW agreed that it is not possible to prepare a PEP on that basis but the project should remain in as a line item.

DW

8.0 RURAL DEVELOPMENT STRATEGY

ACTION

- 8.1 The Board noted the report.
- 8.2 As noted in 3.3, final Government approval of the RDS is not evident and is believed to be an error of omission.
- 8.3 It was agreed that the draft RDS, in its current form, needs to be submitted to ExCo for approval on behalf of what was the Steering Group (RDSSG) until June of 2011.
The RDSSG decided to wind up/disband itself at the end of the 2010/11 financial year, and pass delivery responsibility to FIDC.
In retrospect, TT expressed a concern about this and suggested that it would be inappropriate, and perhaps a little unfair, to leave delivery to FIDC management to administer as it would require other Government departments and certain strategic decisions. Recommended to take to ExCo to get a view and then appropriate mechanisms could be finalised.
- 8.4 It was agreed that the RDSSG should be re-convened, with initial membership being the Chairman and Second Elected Representatives on FIDB, the DofAg Senior Agricultural Advisor, the FIG CE, the GM FIDC and, when in post, the RDS Project Co-ordinator. MS felt that significant elements of the strategy could be delivered by the DofAg. DW agreed and would be glad to have a wider/stronger group formed. Clarity and guidance is needed even for low level delivery.
- 8.5 TT agreed and proposed a meeting of the RDSSG to give guidance on process and delivery. MS noted that he was not trying to rewrite strategy but just wanted clarity on delivery.
- 8.6 The Board approved the formation of the new RDS Steering Group, and the submission of an ExCo paper seeking approval to the RDS.

9.0 BUSINESS CLIMATE SURVEY

- 9.1 The Board noted the report.
- 9.2 It was noted that the draft Business Climate Survey Report had been provided electronically to Board Members and that no comments or concerns had been received. TM noted he had not seen the report and MT will arrange for a copy to be sent electronically to TM.
- 9.3 The Board approved the Business Climate Survey Report for publication and distribution.
- 9.4 The Report will be publically available in the Secretariat, Gilbert House and the library and also sent to Businesses.
- 9.5 MS questioned if the report is internally scrutinised and used. DW confirmed yes, staff review constraints on businesses, and any evolutionally change worth following through.

MT

- 9.6 DW noted the survey is completed bi-ennially. To extract more useful information would require more analytical resources. DS suggested that to track changes in more detail perhaps the Policy Unit could assist.

ACTION

FIDC FC

MS wished to thank Steve Manders for his work with the Corporation and wish him well for the future.

10.0 EXCLUSION OF PRESS AND PUBLIC

- 10.1 The Board resolved to exclude the press and public on the grounds that items to be considered were exempt within the terms of Part 1 Schedule 2 of the Committees (Access to Information) Ordinance 2000.

11.0 DECLARATION OF INTEREST IN ITEMS 14 TO 20

- 11.1 No declarations of interest were made.

12.0 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 7TH JUNE 2011 (EXEMPT ISSUE).

- 12.1 The minutes were confirmed as a true and accurate record of the meeting with one minor amendment on Page 3, 12.1.7.

13.0 MATTERS ARISING FROM THE MINUTES.

- 13.1 Item 11.1.1
It was noted this matter is continuing.
- 13.2 Item 11.3.2
It was noted this action was addressed in agenda item 18.
- 13.3 Item 12.1.7
It was noted this action was addressed in agenda item's 14 and 16.
- 13.4 Item 12.4.1
It was noted this action was addressed in agenda item 18.
- 13.5 Item 12.5.1
It was noted this matter was addressed in agenda item 17.
- 13.6 Item 13.5
It was noted this matter was addressed in agenda item 15.
- 13.7 Item 15.3
It was noted this action was completed.
- 13.8 Item 16.3
It was noted this matter was addressed in agenda item 19.
- 13.9 Item 16.5
It was noted this matter was addressed in agenda item 19.

- 13.10 Item 17.6
It was noted a delayed paper is going to ExCo this week.

14.0 ACTIVITY AND INFORMATION REPORT

NOT FOR PUBLICATION by virtue of paragraph 9 of Part 1 Schedule 2 of the Committee (Access to Information) Ordinance 2000, any terms proposed or to be proposed by or to the public body in the course of negotiations for a contract for the acquisition of services.

- 14.1 The Board discussed various activities of the Corporation.
- 14.2 The Board noted the contents of the report and appendices and approved its recommendations.

15.0 FINANCE UPDATE

NOT FOR PUBLICATION by virtue of paragraph 7 of Part 1 Schedule 2 of the Committees (Access to Information) Ordinance 2000 by reason of information relating to the financial or business affairs of any particular company.

- 15.1 The Board noted the contents of the report and appendices and approved its recommendations.

16.0 FIDC SENIOR STAFF APPOINTMENTS

NOT FOR PUBLICATION by virtue of paragraph 2 of Part 1 Schedule 2 of the Committees (Access to Information) Ordinance 2000, as information relates to a particular employee.

- 16.1 The Board noted the contents of the report and the process.

17.0 AIR LINKS – CRUISE/AIR INTERCHANGE

NOT FOR PUBLICATION by virtue of paragraph 9 of Part 1 Schedule 2 of the Committee (Access to Information) Ordinance 2000, any terms proposed or to be proposed by or to the public body in the course of negotiations for a contract for the acquisition of services.

- 17.1 The Board noted the contents of the report.

18.0 LEGAL SERVICES

NOT FOR PUBLICATION by virtue of paragraph 9 of Part 1 Schedule 2 of the Committee (Access to Information) Ordinance 2000, any terms proposed or to be proposed by or to the public body in the course of negotiations for a contract for the acquisition of services.

- 18.1 The Board noted the report and approved the proposal.

19.0 AQUACULTURE PROJECT

NOT FOR PUBLICATION by virtue of paragraph 7 of Part 1 Schedule 2 of the Committees (Access to Information) Ordinance 2000 by reason of information relating to the financial or business affairs of any particular company.

- 19.1 The Board noted the report and recommended a way forward.

ACTION

20.0 STANLEY WATERFRONT

NOT FOR PUBLICATION by virtue of paragraph 9 of Part 1 Schedule 2 of the Committee (Access to Information) Ordinance 2000, any terms proposed or to be proposed by or to the public body in the course of negotiations for a contract for the acquisition of services.

- 20.1 The Board noted the report and approved the recommendation subject to GPC and ExCo.

There being no further business the meeting closed 11.30am

Minutes confirmed this.....day of2011

Chairman

Secretary