
MINUTES

Meeting of: Scottish Futures Trust Board

Date & Time: 5th March 2012 at 11am

Place: Scottish Futures Trust, 11-15 Thistle Street, Edinburgh

Attendees: Sir Angus Grossart - Chairman (AG)
Graeme Bissett (GB)
Cllr Jim Fletcher (JF)
Carolyn Dwyer (CD)
Fiona Mackenzie (FM)
Barry White (BW)
Peter Reekie (PR)

The Chairman welcomed all to the meeting.

1. Minutes of previous meeting

The minutes of the 24th January 2012 meeting were accepted as a true and fair record.

Matters arising:

- a) **Register of interests** – The Chairman advised the Board that Noble Grossart has become an investor in Miller Group. Miller Group is a co-investor in hub North Scotland Ltd. The Board noted the Chairman's request to be excluded from any decision-making relating to hub North Scotland Ltd.

2. Chairman's Report

The Chairman reported that since the last meeting he has had contact with Ministers including Alex Neil, John Swinney and the First Minister. Mr Swinney's speech on the Scottish economy to the David Hume Institute on 2nd February was noted.

Action: BW to circulate transcript to Board members.

The Chairman and Chief Executive have both met separately with Alex Neil. The Chairman has discussed with Mr Neil the risks of SFT overstressing themselves with regard to workload and SFT's desire to be successful in its current areas of work. BW noted that he is shortly to meet with infrastructure representatives from other parties.

The Board discussed SFT's recent progress in protecting construction sector jobs and creating training opportunities through the hub initiative and whether this is being adequately communicated externally. BW assured the Board that this information is being put out into the public domain.

3. Chief Executive's Report

The Chief Executive reported that significant progress has been made across SFT's various work areas since the last Board meeting and outlined the most recent highlights.

The signing of the East Central Territory Partnering Agreement in February represents a significant step forward for the hub initiative and the first tenants moving into the NHT properties in Stirling is similarly a milestone. BW shared with the Board the positive feedback given by some of the NHT tenants.

In the Schools Programme, Pumpherston and Uphall Station Community Primary School in West Lothian opened to pupils in February, with the First Minister attending the official opening. BW highlighted to the Board that whilst challenges still remain, SFT's schools team have made important progress working with local authorities to bring about value for money. A Reference Primary School design exercise has recently commenced in which SFT, in collaboration with East Dunbartonshire Council, will aim to demonstrate how efficient, high quality and affordable designs can be delivered in line with programme objectives.

BW also made brief reference to initial work being undertaken by SFT on street lighting which involves assessing the financing options and potential efficiencies to be achieved. The ongoing work with Clyde Valley Authorities to conclude their joint working arrangements for a collaborative residual waste treatment project was also discussed.

The Scottish Government's Construction Review was discussed with BW affirming that SFT would welcome the opportunity to give evidence to the review.

4. Broadband

The Chief Executive updated the Board on the subject of Broadband. The Scottish Government has asked SFT about its capacity to take on work relating to Broadband. Given the existing commitment to develop an asset management programme and the continuance of existing work, SFT's budget and resource are fully committed for 2012/13. Whilst SFT recognises that Broadband is of great economic importance, it cannot commit significant levels of resource to another additional workstream at this time. SFT can offer assistance on Broadband in some defined areas and may second a member of staff to assist an initial procurement, but has suggested that that be the limit of involvement at present. The Board were content with this approach and again reinforced the need to avoid overstretch.

5. Business Plan

BW presented SFT's draft Business Plan 2012-2013 which had been circulated prior to the Board meeting for comment by Board members. A discussion took place about the Plan

focusing on the themes of value for money, sustainable design and the creation of job and training opportunities. Board members were asked to send any additional comments to BW by COP Friday 9th March. The Board agreed the resource allocation and workstreams in the plan and approved the draft of the plan subject to any final comments being taken into account. SFT will publish the final Business Plan at the end of March.

Action: BW to finalise Business Plan.

6. Project and Programme Governance Plan

PR presented the updated Project and Programme Governance Plan making reference to SFT's role at the different stages of a project and the third party controls in place during delivery. The Chairman of the Audit Committee (GB) was content that the plan gives good visibility of the financial control mechanisms that are in place across SFT's landscape of activity in order to reflect its ongoing responsibility for achieving value for money. The Board agreed to review these periodically, with GB requesting that work in the low carbon sector be included in the next iteration and CD requesting that further consideration be given to SFT's exit arrangements from programmes of activity.

Action: PR to update the Project and Programme Governance Plan

7. HR & Staffing

The following recommendations were made to the Board:

- a) Given the significant progress made by SFT in 2011/12, not least the publication of the second benefits statement with £129m of net benefits, there is a clear case to award an annual increase at the beginning of 2012/13. The commitment from staff and their drive, enthusiasm and skill are clearly essential to SFT's continuing success. However, the current economic climate must be taken into account and therefore the Chief Executive's recommendation was that the annual salary increase should again be a nil increase.
- b) With regard to expenses, the mileage rate of 17p per mile was retained in March 2011 and is now, given the increased cost of fuel, equivalent to approximately 40mpg. Fuel prices are continuing to rise. Given this and the intent to persuade staff to move towards more fuel efficient vehicles it was proposed to freeze these allowances at the current rates.
- c) The following team performance objectives were proposed. These taken together with business plan objectives will be reported on after the year end for 2012/13. These together with individual objectives will form the basis of the performance framework assessment.

Three corporate objectives:

- Delivery of benefits and savings in the £100-150 million range
- Amount and timing of innovative/additional finance procured
- Achieving key milestones on projects/key programmes

Two broader objectives:

- Working with SMEs and supporting training and employment through SFT's various programmes
- Communication and awareness of SFT's aims and objectives

The Board agreed with the Chief Executive's recommendations for 2012-2013.

8. Finance report

PR provided a brief update on SFT's financial position, advising that, as previously discussed, the increased level of activity in relation to asset management, NHT and other areas in Q4 should lead to a £400k underspend at year end. Board members requested that 2012/13 Management Accounts be presented to more clearly show forecast outturn costs.

9. AOB

Freedom of Information

BW advised that SFT are currently dealing with a Freedom of Information issue in relation to Glasgow City Council's TIF Business Case. He advised that it was likely that SFT would reluctantly have to appeal a decision of the Scottish Information Commission to the Court of Session.

10. Date of next meeting

Monday 9th May 2012 (15:00)

Meeting Dates for 2012:

9th May 15:00	26th June 10:30	21st August 10:30	1st October 11:00
3rd December 11:00			