
MINUTES

Meeting of: Scottish Futures Trust Board

Date & Time: 9th May 2012 at 3pm

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)
Barry White (BW)
Peter Reekie (PR)

Apologies: Fiona Mackenzie (FM)

The Chairman welcomed all to the meeting and noted that a meeting had been set up with Fiona Mackenzie for 14th May to follow up on relevant board matters.

1. Minutes of previous meeting

The minutes of the 5th March 2012 meeting were accepted, with amendments, as a true and fair record. It was requested that the SFTI minute from the previous minute be circulated.

Action: PR to circulate SFTI minute

2. Chairman's Report

The Chairman reported on various meetings held with Ministers including Alex Neil and John Swinney and also with professionals within the construction industry.

BW noted the emerging discussion of an innovative finance policy unit, pulling together some existing teams, in the Scottish Government. More details are being sought on the proposed unit to further understand what its role will be. The Board discussed that while all support to innovation is to be welcomed the need to maintain operational independence and freedom of action in order to deliver innovation remains as critical as ever.

Action: BW to monitor and brief Board as more information becomes available.

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 internal promotion of John Hope to Accommodation Director leading schools and hub. This has freed Colin Proctor to focus totally on asset management as Asset Management Director.

In the Schools Programme, SFT, working with East Dunbartonshire Council, have worked with two leading architects to design innovative, high quality and efficient primary school designs. This raises the bar in primary school design and will help promote ideas elsewhere.

BW noted that the strength of procurement teams in local health and municipal bodies remains a challenge and a recurring theme when key stage reviews are carried out. Proposals for bodies to work collaboratively, in order to pool available resource, are being worked on. GB suggested looking at options for intensive in-depth training.

Action: BW to review training options.

An update on Infrastructure UK was given and discussed.

An update on progress on securing alternative ways to finance major infrastructure projects was given. The impact of Basel III, country specific regulation and general market conditions on the availability of traditional long term bank debt finance for projects was discussed. The Board noted the challenges and opportunities and asked to be update at the August Board meeting.

Action: PR to update Board on progress.

4. Performance Review 2011/12

The Chief Executive briefed the Board on progress against 2011/12 corporate and business plan objectives. The major objective of savings and benefits in the £100-150 million range will be reported on in the June Board meeting following external validation but current non-validated calculations are that benefits will again be delivered within that range.

It was further noted that 67 of 71 business plan objectives had been substantially or totally achieved, one objective was at too early a stage to measure accurately and three objectives were not achieved. All three unachieved objectives were due to external factors. The Chief Executive noted the strong performance of the whole SFT team and some particularly outstanding individual contributions.

Given the record of achievement in 2011/12 the Board discussed the merits of performance related payment, allowable up to a 10% maximum, under SFT's Management Statement and Financial Memorandum. The Board discussed the need for balance between rewarding exceptional staff performance and the very difficult general economic climate. After discussion the Board agreed not to make any performance payments this year.

5. Corporate Risk Review

Peter discussed the changes to the Corporate Risks and highlighted those which had increased. Discussion continued regarding the retention of staff. Transport Scotland's

projects in the NPD programme have increased in cost and scope prior to procurement and this remains an area of risk. Given the scope and novelty of the Asset Management programme the Board agreed to add this to the risk register.

Action: PR to update risk register.

6. Communications and Media Perception

Jonathan Murray joined the meeting to discuss the Communications Update, highlighting the increased coverage in hub and schools. An analysis of general SFT coverage over the previous six months demonstrated reasonably accurate coverage of SFTs activities. AG requested that opportunities are sought for regular set piece articles on the work of SFT.

Action: JM to seek opportunities around major SFT initiatives

7. Energy Efficiency Opportunities

Tony Rose joined the meeting to discuss the Low Carbon Energy Efficiency and Green Finance Paper and the benefits to SFT in joining The Green Deal Finance Company (TGDFC). The Board noted the opportunity to improve public sector investment in energy efficiency measures across the corporate/operational real estate potentially using the Green Deal as a means of providing the funding. TGDFC could offer one of the financing routes and the Board agreed to SFT becoming a member subject to: TGDFC's request for £300million sub debt from the Green Investment Bank being approved; and SFT's corporate obligations under the MSFM being satisfied.

8. Finance report

PR provided a brief update on SFT's year end financial position, advising that, the underspend at year end had increased by £65,000 from that previously advised. Final accounts will be presented at the next Board meeting.

Action: PR to show more clearly updated forecasts in future Management accounts

9. AOB

None

10. Date of next meeting

Tuesday 26th June 2012 (10:30)

Meeting Dates for 2012:

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