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**MINUTE**

Meeting of: Scottish Futures Trust Limited - Board

Date & Time: Monday 26 November 2018, 2.20pm

Place: Board room, 11-15 Thistle Street, Edinburgh

Present: Ian Russell, Chair (IR)  
Carolyn Dwyer (CD)  
Fiona Mackenzie (FM)  
Ann Faulds (AF)  
Graham Watson (GW)  
Peter Reekie (PR)

Apologies: none

In attendance: Liz Petrie (LP) minutes  
Colin Proctor (CP)  
Christa Reekie (CR)  
Viv Cockburn (VC)  
Jonathan Murray (JM) (part meeting)

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**1a APOLOGIES AND REGISTER OF DIRECTORS' INTERESTS**

There were no apologies. IR welcomed CP and CR to the meeting.

No new interests were declared.

**1b DISCUSSION**

PR led discussion on the Enterprise and Skills Board Strategic Plan and the Scottish Government Economic Action Plan and how these relate to SFT's aims and work streams.

**2 MINUTE OF PREVIOUS MEETING AND MATTERS ARISING**

The minute of the meeting of the Board of Directors of 08 October 2018 was reviewed for accuracy and publication. Minor changes were requested subject to which the minute was approved.

GW requested an update on the ongoing work on the North West Community Campus in Dumfries and Galloway.

*Update on North West Community Campus to be provided to the Board.*

**3 BOARD ACTION TRACKER**

The actions were reviewed, agreed and timescales for ongoing actions noted.

#### **4 CHIEF EXECUTIVE'S REPORT**

The Board noted the Chief Executive's Report.

PR described progress against business plan objectives highlighting those where the status has changed since the last report to the Board.

It was noted that it is now not expected to reach financial close on five hub DBFM projects in the financial year which has led to two objectives moving to a 'red' classification. PR outlined the reasons for this.

It was noted that there are three objectives currently classed as amber and the reasons and mitigating actions noted.

It was noted that the objective to source pipeline and structure opportunity for investment by the Building Scotland Fund has progressed but recent due diligence and the proximity to the end of the financial year has seen this objective move to amber. It was noted that the Company is looking at the option to bring in additional resource to support this work in the coming months.

PR highlighted that all schools in the Scotland Schools for the Future programme are now complete or in construction and all funding has been allocated from the Government budget. PR advised that further central funding was announced by Scottish Government at the Education Buildings Conference on 21 November. PR outlined the success of the conference. The Board requested that PR circulate a copy of his keynote speech.

*PR to circulate copy of keynote speech.*

The Board noted the update on areas of opportunity and growth. In particular discussion took place on the impact of the National Infrastructure Mission and the more recently announced National Infrastructure Commission along with the potential development and application of the Welsh Government's Mutual Investment Model (MIM).

*PR to circulate a paper describing MIM to the Board.*

The Board noted the update on the areas of risk and reduction including future considerations for the hub programme. The Board noted the interlinked challenges facing the hub programme and their impact on the short and longer term sustainability of the programme.

The Board recognised the significant successes and achievements of the hub programme to date together with the emerging challenges.

The Board discussed fully the risks and impacts of the challenges now facing the programme and the proposed recommendations laid out in the paper to address the challenges.

*JM joined the meeting.*

The Board noted the report on recent and planned communications activity and the findings of the stakeholder communications survey conducted recently. JM outlined the results of the survey highlighting the challenges in describing the totality of what the Company does, its benefits and impacts. It was noted that the survey will inform the development of the communications strategy to support the new corporate plan. JM advised that this would include increased planned engagement with stakeholders.

The Board acknowledged the challenges and recommended a review of similar organisations be undertaken to support development of future communications strategy.

*JM left the meeting.*

## **5 FINANCE REPORT**

The Board noted the Finance Report setting out the financial position to 30 September 2018 and the forecast outturn at 19 November 2018.

VC advised that an underspend is forecast and advised that the final variance will depend on the actual of advisory support following current procurement, the timing of new recruits and the exact scope of support on ultra low emission vehicle work being developed currently.

VC described the processes in place for budget monitoring and the increased challenge within the business that has taken place in the current year. It was requested that a schedule of the spend which was unallocated at the beginning of the year be presented to the Board at the year end.

*Schedule of application of unallocated spend to be included in end of year finance report.*

The Board noted the budget scenarios for 2019/20 submitted to Scottish Government.

## **6 CORPORATE PLAN**

### **Corporate Plan 2014-19**

The Board noted the paper reviewing performance against the current Corporate Plan for the period 2014 to 2019. CR led discussion on the review which drew on the reports against objectives set out in each of the annual business plans set in the period.

It was noted that some work streams have been ceased and new areas of work taken on aligned with the priorities set in the Plan and that the Company remains on track to deliver the benefits target set in the Plan.

### **Corporate Plan 19-24**

PR provided an update on the drafting of the Corporate Plan for 2019 to 2024. Feedback is awaited from Scottish Government stakeholders.

The Board acknowledged that through the period of drafting of the Plan, there have been a number of important developments such as the announcement of the Infrastructure Commission and National Infrastructure Mission. It was agreed that the drafted plan remained relevant in the changing context. PR was requested to review the wording of the draft Plan to align with emerging developments and terminology to prepare for publication.

*PR to review terminology in Corporate Plan and prepare for publication.*

## **7 GOVERNANCE REPORT**

The Board noted the report providing an annual overview of the powers reserved to the Board and its delegation to committees as well as the terms of reference for programme boards relating to workstream activities where SFT is responsible for the secretariat.

It was noted that the Nominations Committee is dormant.

Minor amendments to board reserved powers were discussed and PR was asked to incorporate suggested changes.

*PR to incorporate minor amendments to board reserved powers.*

It was agreed that CEO's performance objectives would be brought annually to the Board.

*CEO's performance objectives to be brought to Board annually.*

It was confirmed that given the maturity of the hub and Schools programmes the programme board and governance arrangements are being kept under review.

## **8 RECRUITMENT OF BOARD DIRECTORS**

IR provided an update on the appointment of the three new non-executive directors.

## **9 AOB**

The Board noted that this would be FM and CD's last board meeting prior their terms of office coming to an end on 31 December. IR extended the Board's sincere gratitude to both for their very significant contributions to the Board and to the direction and development of the Company since its very early years.