

MINUTES

Meeting of: Scottish Futures Trust Board

Date & Time: 5th December 2011 at 2:30pm

Place: SFT Boardroom, 11-15 Thistle Street, Edinburgh

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

The Chairman welcomed all to the meeting.

1. Minutes of previous meeting

The minutes of the 3rd October 2011 meeting were accepted as a true and fair record.

2. Chairman's Report

The Chairman reported that since the last meeting he and the Chief Executive have met regularly and that he has had contact with various Ministers, including Alex Neil and John Swinney.

Discussion took place on the subject of the TIF pilot scheme selection process with the Chairman advising the Board that he and the Chief Executive had discussed the process with Alex Neil following the TIF announcement in November. There are now up to seven potential TIF pilot projects. The Board also discussed the emergence of TIF in England.

Action: CD to update at the next Board meeting on the mooted use of TIF projects in London for projects such as the Northern Line extension.

The Chairman spoke of the address given by Peter Reekie to the David Hume Institute Seminar in November which was viewed very positively and thanked PR for his work in representing SFT at the event.

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. The most recent highlights have been the handover of the first hub building (Drumbrae Library Hub); the OJEU for City of Glasgow Colleges being issued, with Inverness College to follow next week; and NHT Phase 2 moving into live procurement, as well as Phase 1 housing units in Stirling being very near to completion. The Board noted that this will provide the opportunity for the first NHT tenants to move in the early part of 2012.

More generally, BW highlighted that infrastructure is currently a high profile subject throughout the UK and that Scotland has been described as 'stealing a march' in innovative infrastructure investment through initiatives such as TIF, NHT and NPD. Reference was made to the Infrastructure Investment Plan, due to be issued on 6 December, which will set out Scottish Government's long-term plans. The combination of the new investment plan and the need for innovation may give rise to requests for SFT to take on additional areas of work. The Board discussed the balance between engaging in new opportunities and the need to ensure the continued quality of SFT's work. The need to be careful not to over-commit was agreed.

The PFI Reform Review launched by the UK Government last week was discussed and the HM Treasury call for evidence letter considered. The review will include a look at the issue of the reduction in the number of banks willing to provide long-term project finance, and the possible solutions. SFT will contribute to the review outlining the work already done in Scotland on regulating returns and the potential for transition finance and credit enhancement.

4. Asset Management

Interim work on asset management continues pending final agreement from Scottish Government on implementation of SFT's wider asset management proposals. BW described some of the current work and the development of an interim team. Strategy and expected timeframe were discussed, with BW advising that the current priority is to ensure the support of key stakeholders. As such, a Programme Board is to be established and will be chaired by a senior Civil Servant. The Programme Board will, in turn, report to Ministers. Leadership and support from a senior level of Government will be a key ingredient in successful delivery of the savings.

Internal governance, structure and impact on SFT budget in relation to the asset management team were outlined. At current budget levels, asset management will use up nearly all remaining headroom in the budget. It was noted that this is a medium term commitment spanning the next five years through to 2017. It was highlighted that asset management is projected to generate a higher benefit to cost ratio than the current average ratio.

The Board supported SFT's progress on asset management and the allocation of resources to it, pending final agreement with the Government.

5. Finance and Future Budgets

PR provided a brief update on SFT's financial position. He discussed that with an increased level of activity in relation to asset management, NHT and other areas in the 4th quarter, it is anticipated that there will be a minimum £300k underspend at year end. However, if the 4th quarter activity increase was less than expected, the underspend could be more substantial. The Board noted the figures and asked BW and PR to liaise with Government as appropriate to give updated outturn forecasts.

6. Health & Safety Update

BW updated the Board and confirmed that internal Health and Safety operational systems and trained staff are in place and that these are subject to regular review.

With regard to a recent incident with an overheating light, the building management company have been asked to conduct an investigation.

7. Staffing update

BW informed the Board that the office is to be rearranged to accommodate growth of the Asset Management team, taking the capacity to 47 spaces.

PR left the room. The Board discussed PR's progress since being promoted to the Board and the impact he has made in that time. It was agreed that PR be given an incremental increase of £ per annum in recognition of both his promotion and his strong contribution to the successful development of SFT. It was noted that his salary, including this increase, would remain within the previously approved salary bands.

FM left the meeting.

8. AOB

Under the MSFM the Board are asked to meet once a year with the Cabinet Secretary. SFT will propose some dates in the early part of next year.

Action: VS to organise and liaise with Alex Neil's office.

There being no further business, the Chairman closed the meeting.

9. Date of next meeting

Tuesday 24th January 2011 (10.30am)

Meeting Dates for 2012:

24th January 10:30	5th March 11:00	9th May 15:00	26th June 10:30
21st August 10:30	1st October 11:00	3rd December 11:00	