
MINUTES

Meeting of: Scottish Futures Trust Board

Date & Time: 26 June 2012 at 10.30 am

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

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

The Chairman welcomed all to the meeting.

1. Minutes of previous meeting

The minutes of the 9 May 2012 meeting were accepted, with amendments, as a true and fair record.

Action: BW to circulate final minutes.

2. Chairman's Report

The Chairman reported on various meetings held with Ministers including Alex Neil and John Swinney, other politicians including Ruth Davidson and also with professionals within the construction industry. The Board asked for the Scotland Act, and any impact on infrastructure investment, to be discussed at a future meeting.

Action: PR to draft summary of Scotland Act and circulate prior to next meeting

A discussion followed on the commercial strength of procurement teams and options for reinforcing or supplementing existing practice. A possible secondment model, from SFT to public bodies, was discussed.

Having decided not to award performance payments at the last board meeting it was agreed that AG should write to John Swinney and Alex Neil on this subject.

Action: BW to draft letter on behalf of AG.

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.

Partnership Awards 2012, hosted by the Partnership Bulletin held on 31 May in London. Scottish Futures Trust was awarded with three awards:

Best Individual Contribution – Barry White

National Housing Trust – Best Alternative Deal Structure

Scottish Futures Trust – Best Central/Regional Government PPP Promoter

The Board noted this significant international recognition of SFT's work, congratulated BW and asked that congratulations be conveyed to the team for their achievements.

An update was given on current aspects of the financing markets and in particular Aviva's short to medium term capacity to finance projects. A discussion was held on challenges caused by the joint impact of tightening regulation in the banking and insurance markets and the eurozone issues. The impact on financial markets is considerable and was making the markets much less predictable.

BW briefed the Board on the current status of SFT's appeal to the Court of Session over a decision of the Scottish Information Commissioner relating to the Glasgow TIF Business Case. The Board was content for BW and PR to progress and asked for an update on any significant issues arising.

Action: PR to update Board if any significant issues arise

A brief update was given on progress in the Asset Management Programme (AMP). An example of work underway in Clackmannanshire was discussed. Recruitment into the team has gone well with a strong field of candidates to choose from. The team will be 9 strong when recruitment is complete with two of those posts remaining to be filled. The Board asked for a structure chart and for lead asset management team members to give an update to the Board at the next meeting. GB stated that governance and management structure should be highlighted to the Board.

Action: BW to arrange for update at next Board meeting and for AMP team members to attend.

PR gave an update on TIF and a discussion took place on whether SFT should be proposing a new round of smaller TIF's perhaps in £5-10 million range and whether when on a smaller scale this could be targeted at projects that are viable and capable of being quick to move into delivery.



4. **Benefits Statement 2011/12**

BW and PR described the key features of the benefits statement including the consistency of the methodology with that applied to the 2009/10 and 2010/11 benefits statement.

BW and PR described the validation process which had been carried out by Grant Thornton and the London School of Economics.

The wider benefits of SFT's work were described as illustrated in the benefits statement. For instance in housing the quantitative benefit is the additional investment of over £100m with the qualitative benefits including construction jobs, improved housing for the tenants and lower fuel bills (and carbon footprint) for the tenants.

Discussion of the benefits statement covered the preparation, validation and presentation of the benefits. The Board discussed putting increased emphasis on the aggregate £384 million savings figure and not just the £131 million annual figure. Whether the benefit statement and annual report should be incorporated into one report in future years was also raised.

The benefits statement was approved by the board with the Chief Executive being delegated authority to make and incorporate final drafting amendments.

Action: Board members to pass any final comments to Chief Executive within a week. BW and AG to agree publication plan.

5. **Annual report**

The Audit Committee was held on 26 June and GB reported to the Board on the outcome of the Audit Committee meeting and that the External Audit opinion was unqualified. GB highlighted that from a practical point of view there is a benefit in having the number of documents more streamlined.

GB reported that the letter of representation in connection with the audit of the SFT's financial statements for the year ended 31 March 2012, has been reviewed by the Audit Committee and recommended that the Board authorise BW to sign on its behalf. GB recommended that the SFT Annual Report and Financial Statements for the year ended 31 March 2012, be approved by the Board. The Board duly authorised the signature of representation letter and approved the SFT Annual Report and Financial Statements.

6. **Finance report**

PR provided a brief update on SFT's Month 2 financial position, advising that there was a £79K under spend against budget due to recruited staff having not yet joined the business and low utilisation of external advisors at the start of the financial year. Outturn is anticipated to remain as budgeted.

7. **AOB**

None



8. Date of next meeting

Tuesday, 21 August 2012 (10:30)

Meeting Dates for 2012:

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| 21 August 10:30 | 1 October 11:00 | 3 December 11:00 |
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