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**MINUTES**

Meeting of: Scottish Futures Trust Limited - Board

Date & Time: Monday 17 August 2015, 3.30pm

Place: 1<sup>st</sup> floor, 11-15 Thistle Street, Edinburgh

Present: Sir Angus Grossart (Chair)  
Jim Fletcher  
Fiona Mackenzie  
Graeme Bissett  
Barry White  
Peter Reekie

Apologies: Carolyn Dwyer

In attendance: Liz Petrie

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**1 APOLOGIES AND DECLARATION OF DIRECTORS' INTERESTS**

Apologies were noted from CD. No new interests were declared.

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

The minute of the meeting of the Board of Directors of 22 June 2015 was agreed as being a correct record.

Matters arising:

AG confirmed that a follow up meeting between himself and Keith Brown had been arranged.

PR confirmed that the response to the Call for Evidence from the Independent Commission for Competitive and Fair Taxation had been submitted.

**3 CHAIRMAN'S REPORT**

AG advised that since the last meeting of the Board he has met with the Deputy First Minister highlighting SFT's key role in seeking a resolution to classification issues and the Company's engagement with Scottish Government in the development of borrowing powers.

BW highlighted that a series of meetings between with MSPs and Scottish MPs is being set up and discussion took place on wider stakeholder engagement at both Scottish and UK level.

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**4 GROUP AUDIT COMMITTEE CHAIRMAN'S REPORT**

GB reported that the Group Audit Committee had met prior to the Board meeting and considered the Annual Report and Financial Statements in relation to SFT Investments Limited and the SFT Group. Following inclusion of the Chairman's statement and revisions to the Strategic Report narrative, the Committee proposed that the Annual Report be brought to a future meeting for approval.

The Chairman commented on the complexity of the financial statements which follow IFRS guidelines and commended the SFT Finance team for its rigorous and professional work on the preparation of the financial statements.

GB highlighted the treatment of the pension scheme liability in the accounts and it was noted that, as a member of Lothian Pension Scheme, any deficits are covered by a Scottish Government guarantee. The Committee was satisfied that the process for the preparation of the financial statements and the audit was robust and that the information disclosed to the auditors had been comprehensive.

**5 CHIEF EXECUTIVE'S REPORT**

The Board noted the Chief Executive's report including progress against business plan objectives and operational updates.

BW highlighted progress in the establishment of LAR where a decision on classification from HM Treasury is expected in the coming weeks.

It was noted the programme for the Glasgow TIF is under review due to scheduling issues with works at Queen Street station but commitment to the TIF remains.

[REDACTED]

It was noted that a number of business plan objectives are classed as 'amber' due to the uncertainty in regard to the timing of resolution of the classification issues affecting objectives in relation to hub, schools and NPD projects.

In respect of other objectives where there is less confidence of achievement than at the Board's last meeting, BW advised that Scottish Government funding commitment has yet to be secured in relation to the timely implementation of necessary work within the Smarter Workplaces programme for the central estate.

Discussion took place on the impact of ESA10 issues in relation to the hub and NPD programmes, noting the company's continued active dialogue with ONS and Scottish Government in order to identify viable options for resolution. PR advised that timescales for ONS providing further clarifications on the AWPR decision remain unclear. The Board noted the position and agreed the importance of continued active communication with stakeholders.

The Board noted the update in relation to recent and planned communications activity.

[REDACTED]

## **6 FINANCE REPORT**

The Board noted the finance report detailing financial performance to 31 July 2015 against budget for the month of July and the four months to 31 July 2015. The Board noted the overspend against budget in the month of July due to the timing within the year of advisory spend, which is budgeted evenly through the year but costs have been incurred early in the year.

GB advised that financial reporting to the Board had been discussed at the Audit Committee and it is proposed that some additional information be provided on a quarterly basis.

## **7 BENEFITS 2014-15 UPDATE**

The update report in relation to the Benefits 2014-15 was noted. It was noted that the value of benefits has been estimated [REDACTED] for the first year of the current Corporate Plan which has a target over 5 years of delivering between £500m and £750m in benefits.

The Board noted that the methodology and validation of this figure had been reviewed by the Audit Committee. The Committee recommended that the validators be retained for a further year to provide continuity following the adjusted methodology employed this year. BW outlined the breakdown of the total figure in respect of various workstreams and the Board requested that further details be distributed to the Board, including comparison with previous years.

*BW to provide further paper on benefits 2014-15 to the Board.*

## **8 AOB**

Date of next meeting - The next meeting of the Board will be held on Monday 5 October 2015 at 10am.