
MINUTES

Meeting of: Scottish Futures Trust Limited - Board

Date & Time: Monday 26 January 2015, 2.30pm

Place: 1st floor, 11-15 Thistle Street, Edinburgh

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

In attendance: Liz Petrie
Martin Blencowe (part meeting)

1 APOLOGIES AND DECLARATION OF DIRECTORS' INTERESTS

There were no apologies.

PR declared the following new interest:

- Appointment to Board of Aberdeen Roads Ltd

The Board noted the PR's appointment as Public Interest Director and requested that it be added to the Register.

2 MINUTE OF PREVIOUS MEETING AND MATTERS ARISING

The minute of the meeting of the Board of Directors of 24 November 2014 was submitted and agreed as a correct record.

Matters arising:

It was noted that the annual salary and expenses review with some benchmarking information will be brought to the next Board meeting in March.

It was agreed that a review of communications strategy as well as recent activity should be considered at the next board meeting in March.

3 CHAIRMAN'S REPORT

AG advised that since the last Board meeting he and BW had met with the Editorial Director of the Scotsman. AG has met also with members of the new Scottish Cabinet

where SFT's engagement in the evolution of borrowing powers had been highlighted by AG.

It was agreed that arrangements should be made for the Board to meet with Keith Brown, Cabinet Secretary for Infrastructure, Investment and Cities.

Action:

Meeting with Keith Brown to be set up.

4 REPORT FROM THE CHAIRMAN OF THE GROUP AUDIT COMMITTEE

GB reported on the proceedings of the meeting of the Group Audit Committee which had taken place prior to Board meeting.

The following was highlighted:

Role of the Audit Committee – The division of responsibilities between the Group Audit Committee and the SFTi Ltd Investment Committee had been discussed. It had been agreed that GB and FM as Chairs of the Committees should draw up proposals for the responsibilities in respect of the approval and monitoring of investments of each Committee for consideration by the Boards.

Internal Audit Function – GB advised that the Group Audit Committee considers the need for an Internal Audit Function on an annual basis. He advised that as part of the External Audit a review of the operation of key elements of internal controls has been commissioned. In this context and having considered a detailed review of project and programme governance the Committee had concluded not to recommend the introduction of an Internal Audit Function currently.

Management Statement and Financial Memorandum (MSFM) – The Committee had noted that the MSFM has not yet been replaced by the 'Framework Document', the introduction of this remaining ongoing, and noted compliance with key specific requirements of the MSFM.

The Committee had acknowledged that the MSFM refers to a classification of SFT as a public corporation and a process of agreeing a range of services to be provided by SFT and a fee for those services and noted that this has been superseded in practice by an annual budget setting process with SFT setting its range of activities, and associated treatment as Non-Departmental Public Body. The Board noted the position.

Whistle-blowing Policy – GB advised that there had been no whistleblowing activity in the year.

Benefits reporting – GB advised that the Committee had been given a presentation on possible revisions to the methodology of the reporting of benefits and it was agreed that a proposal, should be brought to the Board for consideration in March. It was noted that the ongoing provision of independent validation remains important.

5 CHIEF EXECUTIVE'S REPORT

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

Martin Blencowe (MB) joined the meeting.

MB provided an overview of the SFT's role and the work being carried out in regard to implementation of the Construction Procurement Review. The Board noted the distribution of the workstreams stemming from the Review between Scottish Government and SFT with Scottish Government leading on policy and SFT on delivery. It was requested that a copy of the reporting structure be distributed to the Board.

MB left the meeting.

PR provided an update on the position in regard to the Eurostat classification of projects which had been raised at the last meeting of the Board. The Board noted the current position and the ongoing discussions with Scottish Government and relevant UK Government bodies in order to seek a solution and minimise any possible disruption to SFT's programmes affected. The Board acknowledged the serious effort by BW, PR and the SFT team to identify and promote solutions and maintain momentum within key programmes and projects.

The Board noted Annex B to the report outlining recent and planned communications activity. Discussion took place in particular in relation to option for sponsorship of the Festival of Architecture 2016. Given the relevance of design to SFT's activities, and that the Scottish Government were also supporting the Festival (having designated 2016 as Scotland's Year of Innovation, Architecture and Design), the Board agreed to support the Portrait Gallery exhibition at a cost of £20,000 plus VAT. It was agreed that this should be as SFT rather than on behalf of the hub programme. It was requested that the communication strategy be developed to encompass this activity.

6 FINANCE REPORT

The Board noted the Finance Report including the Management Accounts for the 8 month period to 30 November 2014.

7 CORPORATE RISK REGISTER

The Board noted the key business risks described in the report. It was highlighted that proposals for reconfiguration of the Asset Management central estate had been slower than envisaged risking that benefits are not maximised although it is now hoped that on the basis of recent key decisions significant progress can now be made.

8 BUSINESS PLAN 2015-16

A chart illustrating the proposed allocation of core and additional budgets for the coming financial year was tabled. Discussion took place on the distribution of budget and its relationship to the benefits expected to be realised across workstreams. The Board

noted that work on the business plan is ongoing and a draft plan will be circulated for consideration at the next Board meeting in March.

9 AOB

Date of next meeting - The next meeting of the Board will be held on Monday 16 March 2015 at 2.30pm.