
MINUTES

Meeting of: Scottish Futures Trust Limited - Board

Date & Time: Monday 30 November 2015, 2.30pm

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

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

Apologies: Jim Fletcher

In attendance: Liz Petrie

1 APOLOGIES AND DECLARATION OF DIRECTORS' INTERESTS

Apologies were noted from JF. It was highlighted that GB has been appointed as a non executive director of Anderson Strathern and confirmed that this has been included in the Directors' register of interests.

2 MINUTE OF PREVIOUS MEETING AND MATTERS ARISING

The minute of the meeting of the Board of Directors of 5 October 2015 was agreed as being a correct record subject to the revision on page 2 of the sentence, 'PR advised that he is due to meet with ONS to further discuss the AWPR classification next week' to 'PR advised that he is due to meet with ONS to further discuss hub classification next week'.

3 CHAIRMAN'S REPORT

AG reported that since the meeting of the Board in October he has continued to engage with Ministers and stakeholders including the Deputy First Minister. AG and BW had met with J Swinney on 2 October 2015 and follow up to this meeting was discussed. Discussion took place on wider stakeholder engagement including with HM Treasury. It was noted that a programme of briefings for Scottish MPs has commenced with BW, PR and other company directors meeting with SNP MPs at the end of October and further meetings to be scheduled in the coming months.

The Board discussed the submissions published in response the Scottish Parliament Finance Committee's call for evidence, noting a positive balance in the responses. BW and PR have been invited to give oral evidence to the Finance Committee meeting on 9 December 2015.

4 CHIEF EXECUTIVE'S REPORT

The Board noted the Chief Executive's report including progress against business plan objectives and operational updates. AG requested that the presentation of future Board agendas be revised to include numbered papers.

Action: Review format of future agendas.

BW highlighted recent reporting on the impact of public sector investment in infrastructure on the Scottish economy as a whole. The Board recognised the significant contribution of the Company's programmes and investments in achieving strong growth in the construction sector.

PR outlined the successful resolution of classification issues in respect of hub structures. The Office of National Statistics has confirmed that the proposals for hub DBFM projects put forward by SFT would be privately classified under ESA10 and current guidance. This will allow hub DBFM projects to move forward to financial close. The Board requested that its congratulations and thanks be extended to the team on achieving this.

PR advised that intensive work is now underway to establish the revised structure including the establishment of a hub charity to allow a number of the paused projects to reach financial close in the coming months.

The Board noted that a similar resolution has not yet been achieved in respect of a revised structure for NPD projects.

HR/Staffing

Fiona Ogg (FO) joined the meeting.

The Board noted the Annex to the report outlining the reviews undertaken of the staff grading structure and the benefits offered to the Company's employees.

Staff grading structure - FO advised that although the organisation had undergone considerable growth in recent years the grading structure had not been revised. It was noted that currently over half the staff are in the Associate Director grade with a wide salary range and that it is proposed that this band be split to create a new grade of Senior Associate Director, recognising and clarifying the roles and responsibilities that have developed as the Company has expanded.

The Board noted the proposed structure incorporating the new grade of Senior Associate Director and minor adjustments proposed to existing salary bands within the structure. FO highlighted that the financial impact of the changes would be under £10,000.

The Board approved the revised structure and salary ranges subject to the revision of the lower limit of the salary range of the Director band to £95,000.

Staff benefits review – The Board noted and discussed the enhanced, flexible benefits it is proposed be offered to staff and noted the estimated costs of implementation.

Discussion took place, recognising the importance of both training and benefits offered to staff. The Board was advised that the existing opportunity for informal arrangements for staff to have leave to undertake voluntary work will continue and it is intended to better publicise this opportunity within the Company and feedback from staff taking up volunteering opportunities would be sought.

The Board approved the introduction of the benefits package as outlined in the paper.

FO left the meeting

Communications

The Board noted and discussed the Annex to the report on communications activities.

It was noted that the key messages had not been revised recently and requested that consideration be given to updating them.

Action: Review of key messages to be undertaken.

It was further requested that consideration be given to setting up briefings for members of the Board on the activities and evaluation of benefits in the newer strands of the Company's work

Action: Work stream briefings to be considered.

5 BENEFITS 2014-15

The Board noted the report on the Annual Benefits calculation for the financial year 2014-15. The narrative for the publication of the Annual Benefits was noted. BW advised that it is intended to publish in web format only.

The Board approved the publication of the Annual Benefits with the benefits total for the year 2014-15 of £135m.

6 FINANCE REPORT

The Board noted the summary of the financial position as at 30 September 2015 covering forecast income for the current financial year, income and expenditure account, actual and budgeted expenditure and the balance sheet.

It was noted that an underspend against budget is shown and the reasons for the variation at end of September 2015 were noted. It was noted that the resource requirement for transitioning to the new hub structure is currently being assessed.

The Board was advised that early discussions are underway to determine budgets for the next year in order to achieve clarity as early as possible.

Annual Report and Group Financial Statements 2014-15

The Board noted the Annual Report and Group Financial Statements for SFT Group. It was noted that the Board of Directors of SFTi Ltd had approved the Annual Report and Group Financial Statements 2014-15 for that company. GB advised the Group Audit Committee had reviewed the Annual Report and Financial Statements at its meeting on 26 November 2015 and it was confirmed minor changes requested had been incorporated. The Board noted the Committee's recommendation that the Group Annual Report and Financial Statements be approved by the Board.

The Board further noted the Group Audit Management Report 2014-15 and it was noted that this had been reviewed by the Group Audit Committee at its meeting in August 2015. GB confirmed that the Group Audit Committee had reviewed the draft Letter of Representation and recommended its approval.

Following the recommendation of the Group Audit Committee the Board approved the Annual Report and Group Financial Statements for the year ended 31 March 2015 and authorised their signing by AG and BW.

The Board further approved the terms of the Letter of Representation for the Group and authorised BW to sign on its behalf.

7 AOB

Date of next meeting – To be confirmed