
MINUTES

Meeting of: Scottish Futures Trust Limited - Board

Date & Time: Monday 10 October 2016, 2.30pm

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

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

Apologies: Jim Fletcher

In attendance: Liz Petrie
Vivienne Cockburn (part meeting)

1 APOLOGIES AND DECLARATION OF DIRECTORS' INTERESTS

Apologies were noted on behalf of JF.

GB highlighted his role on the Joint Management Board of Scotland Office and Office of Advocate General.

2 MINUTE OF PREVIOUS MEETING AND MATTERS ARISING

The minute of the meeting of the Board of Directors of 22 August 2016 was agreed as being a correct record, subject to the removal of 'prior' in the second paragraph of Section 2 and the rewording of the penultimate paragraph of Section 4 to clarify that it is some reporting that is creating the perception that poor quality construction is being linked to PFI .

Matters arising:

It was noted that following shortlisting, the City of Glasgow College's Riverside Campus had not won the Royal Institute of British Architects Stirling Prize, but that is not to take away from the significant achievement of being only the third Scottish building to be nominated.

3 CHAIRMAN'S REPORT

AG advised that given the ongoing recruitment for the role of Chairman AG's appointment has been extended to 31 December 2016 and GB's appointment to 31 March 2017. Discussion took place on the timing of the recruitment process and appointments to replace both GB and JF. It was considered that if the Scottish

Government launched a single recruitment process for both posts it would be better to temporarily increase the board size rather than have a delay between recruitment and appointment of JF's replacement.

The Board requested that a meeting with Derek Mackay be set up.

BW to arrange a meeting with D Mackay.

4 CHIEF EXECUTIVE'S REPORT

4a Business overview

The Board noted the business overview.

The Board was advised that work had been concluded on amending the contract structures on all pre ESA10 hub DBFM contracts in advance of the new Eurostat guidelines which were published on 29 September 2016. PR advised that analysis of the new guidelines has concluded that further contractual changes to hub will be required for new projects although the basic structure will remain largely unchanged. PR confirmed that there would be no retrospective effect on projects that have already reached financial close. The Board noted that the Office of National Statistics requires to give an opinion on the proposed revisions to the hub contract before certainty on classification and thus balance sheet treatment can be given.

BW advised that an audit of current hub projects is being carried out in relation to value for money and payment processes.

[REDACTED]

[REDACTED]

The Board discussed adopting a broader role within the early learning and childcare programme, enabling not only the infrastructure workstream but managing and co-ordinating change across other aspects of the programme. The Board agreed the importance of the programme and subject to clarity on policy and funding and areas of clearly delegated authority the Board would welcome proposals on widening the company's responsibilities within the programme.

BW advised that work is being carried out on developing a number of economic stimulus measures, in particular areas of work which could be accelerated without additional

[REDACTED]

funding. BW gave an overview of a number of the proposals [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Board noted the paper on digital infill programmes which provided an update on the progress and status of digital delivery programmes being developed. BW advised that SFT is leading the 4G infill and Island infill programmes to invest in enabling infrastructure (masts) for improved rural and island connectivity. The Board was advised that under current proposals SFT could lead the complex procurement of the masts and agreed that this would be appropriate subject to a clear mandate and budget.

The Board noted the sensitivity report on the benefits 2015-16 calculation and the descriptions of the wider benefits not captured by the calculation together with the infographic illustrating some of the wider benefits. Further consideration is to be given to whether or not some additionality impacts should be formalised in future calculations. This was agreed to be considered as part of the retendering process for the validators for the benefits process.

BW to consider wider benefits calculations as part of appointing the validators for the benefits process.

4b Progress against business objectives

The Board noted the progress against the 67 business plan objectives.

4c Communications report

The communication report detailing activities since the last Board meeting was noted.

5 FINANCE REPORT

Vivienne Cockburn joined the meeting.

The Board noted the report summarising the financial position for the 6 months to 30 September 2016 including performance against business plan budget to date and the forecast outturn for the year. The Board approved the format of the report and commended VC for the comprehensive quarterly report.

VC advised that there is an 11% underspend against budget, with the highest variations due to phasing of advisory spend in NPD and Economic Investment. VC advised that expected outturn for the year will be reported to Scottish Government in November.

6 CORPORATE REPORT

6a Corporate Risk Register

The Board noted the corporate risk register.

It was noted that the highest risk still relates to the amendment to Eurostat classification rules. It was noted that work continues on developing future revenue funding approaches and stakeholders are being kept informed of progress. Alternative funding structures are also being looked at such as the use of borrowing powers.

BW confirmed that there is clear responsibility for the management of each risk.

6b Annual Review of Hospitality

The Board noted that the company continues to maintain a register of gifts and hospitality offered to staff and that this is published on a quarterly basis.

All new staff are provided with a briefing on the need to provide an accurate record of hospitality offered as well as an overview of the Bribery Act 2010 and regular reminders are issued to all staff.

6c Annual Review of Insurances

The Board noted that all insurances have been renewed for a further year to 7 September 2017, including Directors' and Officers' liability, which provides cover for employees holding directorships and trusteeships following nomination by the company.

6d Health & Safety

The update to the annual review of corporate health and safety including information on health and safety outside the office environment was noted. PR was asked to ensure that guidelines include reporting procedures should staff have concerns on site safety when visiting a construction site.

7 AOB AND DATE OF NEXT MEETING

The next meeting of the Board scheduled on 28 November 2016 at 2.30pm.