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## MINUTES

Meeting of: Scottish Futures Trust Board

Date & Time: 15th November 2010 at 2:30pm

Place: SFT Boardroom, 11-15 Thistle Street, Edinburgh

Attendees: Sir Angus Grossart - Chair (AG)  
Graeme Bissett (GB)  
Cllr Jim Fletcher (JF)  
Fiona Mackenzie (FM)  
Barry White (BW)  
Peter Reekie (PR)  
Tony Rose – in attendance at 4pm

Apologies: Colin Maclean (CM)

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**The Chairman welcomed all to the meeting.**

Apologies were received in advance from Colin Maclean.

**Declaration of Interests**

No new declarations of interest were reported.

**1. Minutes of the previous meeting**

The minutes of the 13th September meeting were approved.

**2. Chairman's Report**

The Chairman updated the Board on the process that has led to his reappointment as Chairman of the Board. Board member interviews are currently taking place. It was noted that the SFT Conference at the end of September had been a success with the quality of attendance and the level of interest being particularly high. The Chairman reported that he and the Chief Executive have been in regular contact in the period since the last Board meeting and that he has had many positive meetings, including two meetings with John Swinney.

**3. Chief Executive's Report**

BW updated the Board on general progress made since the last Board meeting. There was a discussion about the importance of SFT's independence, the need to retain a focus on value for money and the apolitical nature of SFT's activities. The importance of maintaining a dialogue with a wide group of stakeholders, many of whom hold differing and varied views, was discussed.

BW confirmed that a detailed communications report would be tabled at Board meetings going forward.

**Action: BW**

**a) Communications**

BW reported to the Board that the Royal Incorporation of Architects in Scotland (RIAS) had produced an inaccurate and misleading briefing note on hub and that he had been in touch with the Secretary and President of the RIAS in order to respond to this. BW also reported on the proposal by the Liberal Democrats to merge SFT with Scottish Enterprise to form Finance Scotland.

**b) Budget recasting exercise**

BW briefed the Board on the progress of this exercise, confirming that SFT had identified more than £100m of savings that could be made in the next four years and that a new approach to how contingencies and optimism bias are accounted for is being explored. It was concluded that the recasting process had been a successful exercise bringing money back into the budget which will allow other projects to be funded.

**c) Review of Existing PPP contracts**

BW reported that there is limited contractual scope for extracting money retrospectively from existing operational PPP contracts. A discussion followed regarding the possibility of SFT proposing a value for money strategy going forward and how contracts could be managed more efficiently. BW/PR agreed to update the Board on this at the next meeting.

**Action: BW/PR**

**d) NHT**

BW reported the strong response received to NHT as being very positive for the initiative, with enquiries being received from Highlands, Edinburgh and Glasgow amongst others. The UK government changes to housing benefits and the Treasury levy, that has led to an increase in PWLB interest rates, were recognised as causing uncertainty, but conversely the demand for affordable rented homes remains high.

**e) hub**

Alba Community Partnerships (comprising of Cyril Sweett Investments Ltd and Miller Corporate Holdings, part of The Miller Group) has been selected by the hub North Territory as their preferred bidder. Appointments to the hub advisory framework have been put on hold and will be discussed at the hub National Programme Board.

**f) Forth Crossing**

Tony Rose joined the meeting to give an update on the Forth Replacement Crossing and the key stage review (KSR). Work is ongoing to agree the scope and timing of the next KSR. AG asked BW to consider how SFT can better explain the value and benefits of the KSR. SFT to look at international comparisons.

**Action: TR**

**4. Consideration of the IBR Recommendations**

Following the IBR recommendations to enhance SFT's role, one aspect to consider is how other countries prioritise their infrastructure spend. BW advised the Board that TR has prepared a paper on Infrastructure Australia. Given Board meeting time constraints, BW will circulate the paper which will then be discussed at the next Board meeting. The Board thanked TR for joining the meeting.

**Action: BW**

**5. Budget & Finance**

**Annual report**

The Chairman of the Audit Committee recommended to the Board that the Annual Report and Financial Statements be approved. The Board duly approved the Annual Report and Financial Statements for the year ended 31 March 2010.

**Finance Report**

PR gave an update and talked through the finance report. Costs continue to run under the revised budget following the Board's agreement to a reduction from £6.75m to £5.75m. PR asked the Board to consider a further reduction in budget to £4.75m. The Board agreed that BW should keep the matter under review. A general view was expressed that SFT should be raising awareness of the reduction in budget with PR suggesting that a half-year financial update could be produced to report on this and also to highlight the reduction in the use of external consultants. GB suggested that an updated Benefits Statement be published early in 2011 given that SFT is currently on track to at the least match, and potentially exceed last year's forecast.

**Action: BW to review SFT budget after the SG draft budget announcement.**

**Action: PR to prepare half year financial update.**

**6. Any Other Business**

BW advised the Board that there are currently 8 SFT staff who have completed more than one year's service, with the average length of service being approximately 8 months. The Board noted that SFT is still a relatively young organisation and welcomed the increasing degree of continuity that is emerging with having the cadre of permanent staff.

There being no further business, the meeting was closed.

**7. Date of next Meeting**

To be arranged.

**Meeting Dates for 2010 – all meetings start at 2.30pm unless otherwise stated:**

25 January	8 March	10 May	29 June at 3.00pm
17 August at 5.00pm	13 September at 3.00pm	15 November	