

MINUTES

Meeting of: Scottish Futures Trust Board

Date & Time: 2.00pm, 23rd September 2009

Place: 48 Queen Street, Edinburgh

Attendees: Sir Angus Grossart - Chair (AG)
Graeme Bissett (GB)
Cllr Jim Fletcher (JF)
Colin Maclean (CM)
Fiona Mackenzie (FM)
Barry White (BW)
Peter Reekie – in attendance (PR)

The Chairman opened the meeting.

Declaration of Interests

- Jim Fletcher declared an interest in the schools programme as leader of East Renfrewshire Council.
- Sir Angus Grossart declared an interest as an advisor to the Miller Group through Noble Grossart Ltd.

The Board noted that neither the Chair nor Board would have direct involvement in procurement decisions and that the declared interests did not create conflicts.

1. Minutes of the previous meeting

The minutes of the 12th August 2009 meeting, as amended, were accepted as a true and fair record.

2. Chairman's Report

The Chairman had met with various stakeholders, including a talk to the Young Presidents' Organisation.

He had met with Mr Swinney to discuss progress of SFT's activities and in particular the Board reappointment process. Mr Swinney remains content with progress and keen that Board members accept extensions to their appointment to allow the OCPAS compliant appointment process to run through first half of 2010.

3. Chief Executive's Report

The Chief Executive presented his update paper to the Board. In particular the CEO highlighted further progress with Scottish Government on the schools programme. The CEO advised Board members that prequalification responses were due in respect of the Forth Replacement Crossing project in the coming week, and that SFT would be undertaking its review of the project thereafter. In the water sector, the CEO reported that Mr Swinney had

asked SFT to consider options for restructuring and revert with financially robust and deliverable proposals for him to consider with colleagues. Board members asked to be kept updated on this work stream. The Board discussed potential value in a flexible team of experienced project transactors who would be deployed to support projects on a temporary as-required basis.

Action: BW to report back to Board on progress of work in relation to Scottish Water and to consider the value that could be added by a transactor team.

4. Communications

The Board noted more balanced coverage of SFT's activities and asked the executive team to produce and circulate a regular media update.

Action: BW to ensure regular media briefing is circulated to Board members.

5. MSFM

The Board heard an update from the CEO on progress of finalising the document with Scottish Government. Members noted the current draft and were content with the drafting to date. The CEO was requested to pursue finalisation with Scottish Government and bring a final draft for agreement to the next Board meeting.

Action: BW to finalise MSFM with Scottish Government.

6. Corporate 5-Year Plan

Board members discussed the plan in detail with a particular focus on how SFT should record and report value for money delivered as 'savings' or otherwise. Individual comments were taken and GB requested a word version for further comment. Members requested sight of a final updated version prior to publication.

Action: BW to take in detailed comments made and re-circulate.

7. Budget & Finance

PR presented the financial update to the Board noting that there is likely to be an underspend versus projections for 09/10. Board members asked for a further narrative with future financial updates, and a more complete half-year position at the next Board meeting.

Action: PR to revise format of financial update and prepare a detailed half-year review for the next meeting.

8. Board Appointment Process

CM gave an update on the proposed extension of Board members terms to mid 2010, allowing for an OCPAS appointment process. Board members all indicated that they were content for their appointments to be extended and asked CM and the executive team to engage with OCPAS on the appointment process.

Action: PR to pass Board members' agreement on to Scottish Government and engage with OCPAS once the necessary Order has been passed.

9. Terms of Reference for Audit Committee and Remuneration Committee

GB as Chair of the Audit Committee talked Board Members through its proposed Terms of Reference. The Board agreed the Terms of Reference. PR raised the outstanding issue of SFT's VAT registration. Board members requested that PR ensure this matter is progressed prior to the end of the HMRC Q2 reporting period at end Oct 09. The Board requested that PR investigate dual authorisation on electronic transactions above a set threshold and bring proposals to the Board as part of developing internal controls processes. The Board agreed that the risks in the organisation were not currently of a nature that requires a separate Internal Audit function, but this should be kept under review by the executive team with periodic oversight by the Audit Committee. The Board requested that PR develop a schedule of Board reserved powers and circulate minutes of all Audit Committee meeting with papers for the immediately following Board meeting.

Action: PR to pursue VAT position with Scottish Government, bring back proposals on dual authorisation, draft a schedule of Board reserved powers for initial consideration by the Chair and ensure Audit Committee minutes are circulated.

CM as Chair of the Remuneration Committee talked Board members through its proposed Terms of Reference. The Terms of Reference, as amended, were agreed.

10. Hub Governance

GB as Chair of the hub Programme Board talked Board members through the programme governance structure. The Board agreed the arrangements and requested that hub Programme Board minutes be circulated to SFT Board members.

11. Other Business

The Chief Executive updated Board members on the recruitment process and tabled names and start dates of nine new staff members. The Board noted the success of the recruitment campaign and suggested a phased announcement of new team members. The Chief Executive also tabled a finalised banding and grading structure which was agreed by the Board.

Action: BW to consider communication and announcement of the new team following conclusion of the recruitment process.

PR advised the Board that Directors' and Officers' Insurance is now in place through AON.

Action: PR to circulate details of cover.

Date of next Meeting

4 November - 4pm	16 December - 2pm		
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Proposed Meeting Dates for 2010 – all starting at 2.30pm unless otherwise agreed

25 January	15 March	10 May	21 Jun
13 September	15 November		