
MINUTES

Meeting of:	Scottish Futures Trust Limited - Board
Date & Time:	8 May 2017, 2.40pm
Place:	Glennie Room, 5 Atlantic Quay, 150 Broomielaw, Glasgow
Present:	Ian Russell, Chair (IR) Carolyn Dwyer (CD) Jim Fletcher (JF) Graeme Bissett (GB) Fiona Mackenzie (FM) Barry White (BW) Peter Reekie (PR)
Apologies:	Ann Faulds (AF) Graham Watson (GW)
In attendance:	Liz Petrie (LP)

1 APOLOGIES AND REGISTER OF DIRECTORS' INTERESTS

Apologies were noted from AF and GW.

The Board register of interests incorporating the interests of AF and GW was noted and all directors were asked to advise any new interests to LP for inclusion in the register.

2 MINUTE OF PREVIOUS MEETING AND MATTERS ARISING

The minute of the meeting of the Board of Directors of 20 March 2017 was agreed as being a correct record.

The actions from the meeting were reviewed and a number of ongoing actions noted.

3 CHIEF EXECUTIVE'S REPORT

3a Business overview

Before consideration of the detail of the report, discussion took place on the wider context within which the company operates including future UK investment plans, approaches to classification of infrastructure debt and the economic outlook.

Prior to the board meeting, directors had met with the Cabinet Secretary for Finance and the Constitution and it was agreed that future meetings with the Cabinet Secretary should be sought.

The Board noted the business overview. BW highlighted that 58 of the objectives set in the 2016-17 business plan had been achieved. Seven further objectives were close to being achieved with only two objectives where operational changes in the year meant they could not be achieved.

3b End of Year Report

The Board noted and discussed the End of Year report detailing performance against all 2016-17 business plan objectives and recommended some minor changes prior to publication.

It was recommended that the categorisation and description of objectives slightly below target be reviewed to capture the objectives achieved just beyond the year end.

BW to finalise report for publication.

3c Communications Report

The report on recent and planned communications activity was noted.

Continued media interest in Edinburgh Schools issues was noted. It was confirmed that all activity is now being co-ordinated by Scottish Government.

4 FINANCE REPORT

The Board noted the report including the budget outturn for the year ended 31 March 2017 and the actual and budgeted expenditure for the year.

PR advised that the annual valuation of the Company's pension fund for inclusion within SFT's Financial Statements had been received. This valuation is based on IAS 19 (International Accounting Standard 19 Employee Benefits) and forecasts a deficit of £2.2m. PR advised that this would be recognised as a liability in the 2016-17 Financial Statements but noted that the charge will be offset in the accounts.

GB confirmed that the Audit Committee would review an early draft of the narrative of the accounts at its meeting in June.

It was further noted that a triennial actuarial valuation on which the Company's pension contributions are determined is expected to conclude in late 2017 and recommendations on future contributions will be brought to the Board at that time.

6 CORPORATE UPDATE

6a Corporate Risk Review

The Board noted and discussed the corporate risk register setting out key business risks. BW highlighted new risks introduced to the register.

It was agreed that the three critical risks related to third party resources where lack of resource would have an impact on delivery the Company's objectives and reputation. The Board requested that consideration be given to defining reputational risk within the register.

The risk in relation to key staff retention, as well as general staff retention, was discussed.

It was agreed that the risk register should be reviewed at the board meeting in October following the strategy discussions in August.

BW to review reputational risk and key person risk within the register and include register in October board agenda.

6b Review of the Expenses Policy

The Board noted and approved the updated expenses policy.

7 GOVERNANCE UPDATE

7a Board and Committee Appointments

The Board noted the terms and expiry of current board appointments, noting in particular the expiry of CD and FM's appointments in December 2018. It was agreed that succession planning should be discussed at the Board meeting in October 2017.

The Board appointed GW to the Group Audit Committee and agreed that he take over the chairmanship of the Committee at the end of August 2017. The membership of the Committee was discussed and it was agreed that this should be reviewed at the board meeting in November 2017 prior to the expiry of JF's directorship.

The Board noted the appointment of AF and GW to the SFTi Investment Committee.

Succession planning for directors to be included in October 2017 agenda.

Membership of the Audit Committee to be included in November 2017 agenda.

7b Draft Board Strategy Day Agenda

The proposed agenda for the strategy day was noted and discussed. BW to finalise arrangements in line with discussions.

BW to complete arrangements for the strategy day in August.

8 ANY OTHER BUSINESS

There was no other business.