

MINUTES

Meeting of: Scottish Futures Trust Board

Date & Time: 2.30pm, 25 January 2010

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

No new declarations of interest were reported.

1. Minutes of the previous meeting

The minutes of the 16th December 2009 meeting were accepted as a true and fair record.

2. Chairman's Report

The Chairman reported that he had not spoken with Mr Swinney since the previous Board meeting however he and BW will update him on general SFT activities when they meet with him formally on 24 February 2010 at the Parliament. The Chairman and BW are continuing to meet with key press members and stakeholders to update them on SFT's progress. The Board agreed on the need for an increased level of proactive and positive communication with the media and key stakeholders.

Action: BW/AG to continue to meet with key press members and SFT stakeholders.

BW to issue regular press releases promoting SFT's activities/progress.

BW to table a more specific recommendation on communication strategy at the next Board meeting on 8 March.

Board members to pass any further thoughts on communications to BW/AG.

3. Chief Executive's Report

a) Overview

BW presented his update paper to the Board, highlighting the continued good progress made towards achieving the stated objectives in the 2009/10 Business Plan. BW reiterated that improving communications with key stakeholders and media contacts is a priority and currently his main focus.

b) Schools

BW reported that the Schools Investment Programme is forging ahead and that SFT is in dialogue with every Scottish Local Authority over programme objectives, proposals and readiness and to ensure money is well spent from the outset. BW had met with Michael Russell, Cabinet Secretary for Education & Lifelong learning, on 19 January to discuss progress and related build/funding issues. Mr Russell had assured BW of his support for SFT. BW briefed the Board on the cost savings and other benefits SFT had already identified and could deliver.

Action: SFT to continue to pursue cost savings and other benefits.

c) Hub

BW reported that currently 26 out of 32 Local Authorities are collaborating in the four active hub territories (South East and North in procurement, East Central and West in planning). The remaining 6 are expected to join when the final territory comes into the programme later in the year. Progress is good in the SE Territory with positive proposals received from the three shortlisted Bidders. Seven PQQ responses have been received in the North Territory following the successful Bidder Day on 9 December 2009. The recommendation of a shortlist is expected to be brought to the Territory Programme Board meeting on 26 February 2010 for approval.

GB as Chair of the hub National Programme Board (HNPB) reported that the first tranche of hub initiative projects, valued at more than £130million, have been awarded start-up funding totalling £13million by the HNPB. The HNPB met on 21 January 2010 and approved applications from the South East and North Territories for the release of capital enabling funds for front runner projects. The HNPB also considered and approved further applications over and above the £5m budget made from each pathfinder territory, to the special purposes fund. The Board noted that the Territories are working well together in reviewing and approving bids.

Action: BW to issue press release on hub procurement progress.

d) Housing

[Redacted]

Action:

[Redacted] *[Live procurement]*

e) TIF

PR reported that SFT is currently working with Government and Local Authority partners in Edinburgh City Council, Glasgow City Council and North Lanarkshire Council on developing business cases capable of acceptance for particular TIF schemes.

Action: PR and BW to meet with the City of Edinburgh Council's Chief Executive and Director of Finance within the next month to progress its business case for the Waterfront area.

f) Scottish Water

Discussions continue with stakeholders to consider viable and efficient financing arrangements for Scottish Water. SFT have looked at practicalities and deliverability and a number of options have been identified but require further work.

g) Borders Rail

BW reported that a Bidder Day was held on 20 January 2010. PQQ responses are due the first week in March 2010. SFT is on the Project Board and is supporting the sourcing of value for money finance. SFT, through innovative financing and adopting some principles currently being applied in mainland Europe, can lever in significant benefits.

h) Forth Replacement Crossing

BW reported that the FRC programme is moving forward. SFT continues to work with Transport Scotland to bring robust due diligence to the project. Two bidding consortia are engaged in the process.

i) Waste

BW advised the Board that SFT continues to support Edinburgh and Midlothian and North, East and South Ayrshire Councils on their respective joint residual waste project as well as Glasgow City Council on its stand alone residual waste project. The Board noted the need for every Council to demonstrate value for money and for SFT to develop opportunities for cooperation.

j) Staff/Recruitment

BW reported that a permanent recruitment campaign for a Communications Manager, Finance Executive and team of four Admin Support staff is to commence shortly with the tender process for selecting a recruitment agency/search company.

Action: PR to circulate the Communications Manager job description to all Board members.

4. Business Plan 2010/11

BW updated the Board on business planning progress. The SFT Executive Team is in the process of taking forward Corporate/Business Plan objectives for 2009/10 into 2010/11, incorporating and improving existing projects and looking at a potential SFT role in different sectors. The Board agreed that SFT needs to remain very focussed on the areas that add most value.

Action: Board members to pass any ideas they may have to BW.

BW to present the Business Plan Risk Update to the Board on a quarterly basis.

5. Office

PR submitted papers to the Board for consideration setting out SFT's requirement for permanent office accommodation in central Edinburgh and the process adopted to select the best value for money space available. The Board approved the proposal of entering into a 10 year lease for the 2nd floor of Sovereign House with a tenant only break at 5 years on terms no less attractive than set out in the paper and delegated authority to the Chief Executive to undertake final negotiations and execute all necessary documentation. PR advised the Board that Scottish Government approval is required for the long-term lease commitment and that the Chief Executive will seek this commitment forthwith, reverting to the Board with any issues arising.

6. Budget & Finance

a) Month 9 - Actual versus Budget as at end December 2009

PR presented the 9 month financial position, noting the increasing under spend from the previous month. This significant revision recognises that spend on external consultancy advice has been lower than budgeted to date given the strength of internal resources and the role SFT is taking in the procurement and financing route currently identified. In line with the paper on future office accommodation submitted to the Board for consideration, a fit out and furnishing cost is allowed for in the March budget. The overall projection is for an under spend of approx £1.1m against budget.

Action: PR to produce a fact sheet for Board members on SFT cost savings and provide excerpts of evidence given to the Parliamentary Enquiry on private sector finance.

b) VAT Registration

PR reported that the Scottish Government has taken SFT's VAT position to HMRC for consideration and a formal response is expected shortly.

7. Any Other Business

a) Scottish Investment Bank/Infrastructure Fund

Action: PR to liaise with SG on potential SFT role.

b) SFT Remuneration Committee

CM as Chair of the Remuneration Committee advised the Board that the inaugural meeting of the Remuneration Committee had taken place on 25 January 2010 and that the following items had been addressed:

i) Terms of Reference as adopted by the Board on 23 September 2009

The Committee reviewed and accepted its Terms of Reference as established by the Board.

ii) Appointment of SFT Board under OCPAS

The Committee reviewed the OCPAS process for appointing the new Chair by 2010 and then appointing Non Execs. The Board agreed to observe the process.

Action: PR to pass Board members' agreement on to Scottish Government and engage with OCPAS to progress.

iii) Expenses Policy/Hospitality & Gifts Register

The Remuneration Committee reviewed and agreed an interim Expenses Policy and an interim process for the Hospitality & Gifts Register. Final proposals will be tabled for approval at the next Remuneration Committee meeting on 8 March 2010.

iv) Staff Benefits/ Annual Staff Salary Review

The Remuneration Committee approved the proposed introduction of Childcare Vouchers and the Cycle to Work scheme. Annual staff salary review proposals will be tabled for approval at the next meeting on 8 March 2010. Committee members asked the CEO to establish staff performance indicators reflecting the Business critical objectives with his own objectives to potentially include 3 in capital projects, 2 organisational objectives and 1 in safety/environment.

8. Date of next Meeting

Monday, 8 March 2010 at 2.30pm.

There being no further business, the meeting was closed.

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

25 January	8 March	10 May	21 Jun
13 September at 3.00pm	15 November		