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## MINUTES

Meeting of: Scottish Futures Trust Limited - Board

Date & Time: Monday 14 June 2016, 9.30am

Place: 1<sup>st</sup> floor, 11-15 Thistle Street, Edinburgh

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

Apologies: none

In attendance: Liz Petrie  
Vivienne Cockburn (part meeting)

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### 1 APOLOGIES AND DECLARATION OF DIRECTORS' INTERESTS

There were no apologies. It was noted that GB has been appointed as a non executive director of Smart Metering Systems plc and that this has been included in the Directors' register of interests.

### 2 MINUTE OF PREVIOUS MEETING AND MATTERS ARISING

The minute of the meeting of the Board of Directors of 3 May 2016 was agreed as being a correct record.

### 3 CHAIRMAN'S REPORT

AG advised that he has continued to engage with Ministers including the Deputy First Minister. It was noted that in the new cabinet structure SFT comes under the remit of Derek Mackay, Cabinet Secretary for Finance and the Constitution while infrastructure is within the remit of the Cabinet Secretary for the Economy, Jobs and Fair Work. AG advised that he is to meet with D Mackay and it was agreed that a meeting between the Board and D Mackay should be sought thereafter. BW advised that meetings are being scheduled with a number of ministers whose portfolios encompass key areas of the Company's activity.

It was noted that Scottish Government's recruitment of a new Chair has yet to conclude and understood that the position may be re-advertised. It was Scottish Government's intention to advertise the other director positions after the appointment of the Chair and noted that timescales for these recruitments may also be revised.

Discussion took place on the recently published review of the Scottish planning system. PR provided an overview of the context of the review highlighting a key driver of reinforcing infrastructure investment and provision to support development, in particular housing development. It was noted that the Company had been specifically mentioned within two of the key recommendations. Discussions are scheduled with the review team and Scottish Government and it was agreed that it is appropriate to consider the Company's role in supporting the outcomes of the review whilst maintaining a delivery focus.

The Board noted that discussions with Scottish Government have continued on the evolution of borrowing powers and strategic planning on the structure of finances.

BW advised that the SFT sponsored exhibition on Scottish architecture had now opened at the Scottish National Portrait Gallery, supporting the year of Innovation, Architecture and Design and illustrating the Company's commitment to good design. Discussion took place on the Company running a design competition for the delivery of social/affordable housing using modern methods of construction. BW to draw up proposals for such a competition.

*BW to draw up proposals for running an award or design competition for delivery of social/affordable housing using modern methods of construction.*

#### **4 CHIEF EXECUTIVE'S REPORT**

##### **4a Business overview**

The Board noted the business overview and the report on progress against the 64 business plan objectives. BW advised that at this early stage in the financial year all objectives all progressing well and are on track to be achieved.

BW highlighted that the NHT Council Variant site at Shrubhill in Edinburgh for the delivery of 150 units is now expected to complete with a start on site in July. BW further advised that LAR Housing Trust has purchased 84 of the NHT homes in Aberdeen which under NHT could revert to private ownership after five years. The sale to LAR will allow those homes to be kept at affordable rents in perpetuity.

PR provided an update on assurance activities across the public sector undertaken in response to the structural defects identified in Edinburgh Schools. The Board was advised that the City of Edinburgh Council is to set up its own independent inquiry. PR advised that the defects identified dated from a period of expansion of the construction industry with pressure on the supply of manpower and relied on a construction technique that was widely used then, but much less used now.

BW highlighted the work being undertaken in drawing up a business case for the 4G infill programme, looking at the financing, procurement and location of masts.

The Board noted that the Growth Accelerator agreement is due to be signed for the St James Quarter with the intent of works ramping up in July. The Board was advised that

further European guidance on classification is now expected in autumn 2016 which will have an impact on the Company's consideration of the NPD commercial arrangements, now expected to conclude around the end of the calendar year.

The Board acknowledged the strong progress being made by councils supported by the SFT team to convert to LED street lights.

The Board noted the full implementation of the staff benefits scheme at the end of June and was advised that responses to recent recruitments suggest that the Company's ability to attract talented recruits remains strong.

BW provided an update on SFT Benefits 2015-16. The benefits calculation sits slightly higher than that of the previous year and is undergoing its normal validation process being reviewed by both Grant Thornton and the London School of Economics. The board discussed the high level summary of benefits and looked forward to the detailed report at the next board meeting.

#### **4b Communications report**

The communication report detailing activities since the last Board meeting was noted. BW highlighted that activities had been curtailed in this period due to pre-election purdah.

It was noted that an influencers' dinner with Lord Adonis, the Chair of the National Infrastructure Commission, is being jointly arranged by the Company and SCDI on 14 July 2016. A separate meeting is being sought between the Chairman and Lord Adonis.

#### **4c Finance report**

*VC joined the meeting.*

VC tabled the Finance report detailing financial performance to 30 April 2016 against budget for the month of April. The Board noted the underspend against budget of £172k. VC advised that as the budget report assumes even monthly expenditure through the year, any weighting of costs to later months of the year, as will be the case in many areas, is not reflected in the report.

The Board was advised that all income for the year has been confirmed bar final agreement on the ring-fenced Low Carbon budget. The Board asked for more detail on income in future reports to track areas of general and specific funding and related areas of overspend or underspend. VC to circulate additional income report to the Board.

*VC to provide report on income within future quarterly Board finance reports.*

**5 ANNUAL REVIEW OF CORPORATE HEALTH AND SAFETY**

The Board noted the report on Health and Safety matters since the last update to the Board in June 2015. No incidents were reported during the year.

BW advised that PR is to take over the role of Director responsible for Health and Safety. BW and PR had undertaken a tour of the office building from which minor actions were being followed up. The Board was advised that SFT staff visiting construction sites are provided with health and safety inductions and equipment by site management. The Board requested that the annual review be revised to incorporate an overview of health and safety for staff outwith the office in particular when travelling and when visiting construction sites.

*PR to include overview of safety management outwith the office in current and future annual reports.*

**6 CORPORATE GOVERNANCE**

The Board noted the Governance Report comprising a review of the Board Reserved Powers, Group Audit Committee terms of reference, Programme Board terms of reference and a review of Freedom of Information requests received in the past year.

The Board noted and approved the inclusion of the SFTi Investment Committee in the committee listing in the Statement of Board Reserved Powers and approved all terms of reference submitted.

**6 AOB AND DATE OF NEXT MEETING**

BW tabled a letter inviting SFT to participate in the Social Impact Pledge involving the setting and publicising of three commitments to deliver benefits to communities. The Board approved the Company's participation.

The next meeting of the Board will take place on Monday 22 August 2016 at 2.30pm at 11-15 Thistle Street, Edinburgh.