
MINUTES

Meeting of: Scottish Futures Trust Limited - Board

Date & Time: Monday, 17 March 2014, 10.30am

Place: 1st floor, 11-15 Thistle Street, Edinburgh

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

In attendance: Liz Petrie

1 APOLOGIES AND DECLARATION OF DIRECTORS' INTERESTS

There were no apologies.

It was noted that AG has been appointed as director of the Edinburgh International Culture Summit. BW advised that he has become a member of the Institute of Directors.

2 MINUTE OF PREVIOUS MEETING AND MATTERS ARISING

The minute of the meeting of the Board of Directors of 27 January 2014 was submitted and agreed as a correct record.

Matters arising:

[REDACTED]

[REDACTED]

Communication activity – BW advised that a programme of external communication activity was being drawn up focussing on progress in projects.

Appointment of External Auditors – The Board noted that the procurement process had been completed and that the Audit Committee had been supplied with the analysis of the tenders received. Based on the analysis provided the Audit Committee had noted that the highest score had been achieved by Scott Moncrieff. The Board agreed the Audit

Committee's recommendation that Scott Moncrieff be appointed as External Auditors for the period 2014-16 with a possible extension to 2017.

3 CHAIRMAN'S REPORT

AG advised that since the last Board meeting he has had discussions with the Prince's Foundation for Building Community in regard to the future use of the Bangour Hospital site.

Further discussions have been held with the First Minister. In response to the queries raised an option for a pilot project has been proposed. A decision is awaited on whether or not the proposals for the road maintenance pilot will be taken forward.

The Board discussed the introduction of borrowing powers to Scotland in 2015 and considered it important that the company seek to engage in proposals for implementation to assess the impact on the company's business and the level of the company's involvement, if any, in implementation.

4 CHIEF EXECUTIVE'S REPORT

The Board noted the terms of the report.

BW highlighted that in the past week contracts have been signed for NHT 2B which will provide 170 homes and in the past month financial close has been reached on the M8/M73/M74 bundle, the largest NPD project to date and preferred bidder has been reached on three major health projects within the NPD programme. The Board noted the successful progress of the stand-alone projects in the NPD programme, totalling around 70% of the programme value, but it was highlighted that in the wider NPD programme some delays are being experienced in smaller projects. Discussion took place on the reasons for these delays and the Board requested that PR give consideration to whether or not it was appropriate to introduce measures to be taken in cases of delay and what these steps may be.

PR to provide the Board with recommendations on appropriate measures in cases of delays to projects within the NPD programme.

BW further highlighted that a business case has been presented and discussions have continued with Scottish Government on the establishment of LAR Housing Trust (LAR) to use financial transaction funds for the development of affordable rent housing. It was noted that contrary to previous indications funds from the current year's financial transaction capital (FTC) budget are not available and should LAR proceed it will be using next year's FTC budget.

It was also highlighted that the company has been formally asked to build on its current involvement in digital infrastructure, as outlined to the Board at its meeting in October 2013, and take a lead role in the development of 'World Class 2020', to develop proposals for the next generation of access to digital services. This would attract an additional budget to fund the work and the six posts required. It was considered that this workstream is well suited to the company's specialist commercial skills.

5 FINANCE REPORT

The Board noted the Finance report. PR highlighted that there remains a projected underspend in relation to the forecast.

It was noted that in the coming year a growing element of SFT's income will be generated by the company's activities.

6 CORPORATE PLAN 14-19

A draft of the Corporate Plan was distributed to the Board at the meeting. BW gave a brief overview on the structure of the Plan and invited Board members to comment on the structure and style of the draft. BW highlighted the need to agree the Plan with Scottish Government prior to presenting the final draft to the Board in May for approval.

BW to liaise with Scottish Government on the Corporate Plan 14-19.

7 BUSINESS PLAN 14-15

Discussion took place on the content of the draft Business Plan circulated to the Board and comments noted. BW highlighted that in comparison to the current year, the main expansion to areas of activity were within the Low Carbon, TIF and Digital workstreams. It was agreed that Board members should forward any further comments to BW within a week to allow publication around the end of March. Subject to BW's consideration of comments supplied, the Board approved the draft Business Plan and authorised BW to finalise for publication.

BW to finalise and publish the annual business plan.

8 ANNUAL SALARY AND EXPENSES REVIEW

The Board noted the report and its recommendations.

BW and PR left the meeting to allow discussion to take place.

The Board acknowledged the significant progress achieved over this period as a result of the commitment, drive, skills and expertise of all staff and after discussion the Board agreed to award a 1.5% increase to all staff, in line with the increase awarded in the previous year.

The Board further agreed the proposed uplift in the car allowances, noting that these have remained unchanged since initially established in 2009.

BW and PR returned to the meeting and were advised of the decisions.

To accommodate the revised salaries the board approved the recommended revisions to salary bands.

The Board further approved the recommended alterations to the expenses policy which had last been considered in full by the Board in 2010.

The Board noted the range of training offered to staff over the current year and recognised the importance of supporting the development of staff through the provision of a range of training. The Board further noted the outlined appraisal process and approved the following corporate objectives.

Four corporate objectives:

1. Delivery of benefits and savings in the £100-150 million range
2. Amount and timing of innovative/additional finance procured
3. Achieving key milestones on projects/key programmes
4. Maintaining momentum and delivering benefits in Asset Management

Two broader objectives:

1. Enhance SFT's performance through improved employee engagement
2. Identify key strategic opportunities where, with appropriate additional resource, SFT could add value

9 AOB

The next meeting of the Board will be held on Wednesday 7 May 2014 at 2.30pm at 11-15 Thistle Street, Edinburgh.