

MINUTE

Meeting of: Scottish Futures Trust Limited - Board

Date & Time: Monday 17 May 2021, 2pm

Place: By video conference

Present: Ian Russell, Chair (IR)
Ann Faulds (AF)
Bill Matthews (BM)
Pauline Mills (PM)
Graham Watson (GW)
Ann Allen (AA)
Peter Reekie (PR)

In attendance: Liz Petrie (LP)
Caroline Whyteside (CW) (part meeting)
Colin Proctor (CP) (part meeting)
Paul Dodd (PD) (part meeting)

FORMALITIES

1 Apologies

There were no apologies.

2 Declaration of Directors' interests

The current register of directors' interests was noted and confirmed as being up to date. PM highlighted Taylor Wimpey's involvement in the strategic housing site in Dunfermline referenced in Paper05.

3 Minute of previous meeting

The minutes of the meeting of the Board of Directors of 22 March 2021 were noted and approved as correct record.

4 Action tracker

Completed actions and timescales for ongoing actions were noted.

DISCUSSION

5 Business context

Following the recent Scottish Parliamentary elections, PR led discussion on the manifesto commitments of the newly elected Government relating to SFT's workstreams and business plan. He highlighted the commitment to funding in areas where SFT is active

including for the decarbonisation of the public estate and for vacant and derelict land investment.

The Board further noted that the manifesto included the creation of a National Energy Agency as well as a Scottish National Infrastructure Company and discussed the Scottish and UK public sector landscape. At UK level the Board discussed the implications of the creation of the UK Infrastructure bank with the capacity to lend across Scotland and its potential overlap with the Scottish National Investment Bank.

The Board requested that PR circulate an update on the political context following ministerial appointments and provide a further update at June board meeting.

PR to circulate interim political context update following ministerial appointments and further update at June board meeting.

6 Business Area

CP and PD joined the meeting for this item.

CP provided an overview of the Construction Industry and Delivery business area covering digital transformation; information management; outcomes and evaluation; transforming the value of consultancy; modern methods of construction; and construction quality. CP highlighted the breadth of activities being undertaken at project, programme and national scale and the Company's collaborative and leadership roles within a range of forums and activities. CP highlighted SFT's development of the construction pipeline tool which will support industry in planning investment which is due to be launched in the coming months.

PD gave an overview of the work being carried out within the Infrastructure Technology workstream, describing the aims of driving understanding, improving uptake and making the most efficient and beneficial use of technological innovation and data management to support infrastructure delivery and performance. PD outlined the development of workstream activity within SFT in the context of rapid technological change and the associated opportunities and challenges. The Board noted the breadth of activity undertaken by a small team and PD described leveraging resource from a collaborative approach and highlighted the mutual support from working with other workstreams within the Company.

Referring to the key deliverable of taking a leading role in the Construction Accord, CP advised that a targeted outcome of the work is the commitment of both Government and industry to working differently, with the Accord as an enabling framework.

7 Business Plan Objectives 2020-21 at Year End

The Board noted the end of year report outlining the status of the business plan objectives 2020-21 at the year end.

PR advised that 42 of the 44 objectives had been achieved. It was noted that five of the objectives had been added during the year reflecting the more significant COVID-related

streams of activity. PR confirmed that the two objectives that had not been met were as previously advised in March, namely: although all schools in the Scotland Schools for the Future have been handed over one school did not open within the financial year so objective 7 was not technically fulfilled and targeted receipts from asset disposals were not achieved due to impacts of COVID-19 delaying some expected land sales.

Discussion took place on the monitoring of objectives and the validation of achievements and the Board was advised that the Leadership Team reviews performance and the achievement of milestones across all objectives throughout the year. The Board noted that future reporting on milestones will be within key deliverables report. GW asked PR to consider how to measure and monitor progress on some of the more subjective objectives in the Business Plan.

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IR asked that staff be thanked on behalf of the Board for a good performance in a challenging year.

8 Key Deliverables

The Board noted the report on the eight key deliverable which will be tracked through the year, covering the position to be achieved by the end of the year, a description of the high-level plan and activities against each milestone and associated issues and risks.

PR described each of the key deliverables, highlighting the different reasons for identifying each deliverable and noting their alignment with the three corporate priorities identified in the business plan.

PR highlighted early progress against milestones and the principal challenges to achieving the deliverables.

9 Finance

CW joined the meeting.

The Board noted the report detailing the financial position at the year ended 31 March 2021. CW advised that a £31k underspend is forecast based on unaudited accounts. CW further highlighted that no additional contribution was made to the Pension Fund in the year.

The Board further noted the 2021-22 draft budget. It was noted that core and programme budgets have been agreed with the income cap set by Scottish Government the only element of income yet to be confirmed. CW advised that the formal grant allocation letter for 2021-22 has not yet been received from Scottish Government and confirmed that it would be circulated to the Board after receipt.

Grant allocation letter to be circulated to the Board on receipt.

The Board noted the listing of anticipated costs for 2021-22 and that this is being finalised by the Leadership Team. It was noted that a final budget will be brought to the Board in June.

The Board noted the report on advisory spend greater than £30k in 2020-21 and that half yearly updates on advisory spend will be provided.

10 Corporate services

The Board noted the Corporate Services Report covering Human Resources, Communications, Business Technology and Office Management.

CW highlighted elements of the report including the development of an action plan following on from the Equality, Diversity and Inclusion workshops attended by all staff in February. The Board noted that a number of recruitments are currently underway including for individuals to be nominated as Public Interest Directors external to the Company.

CW further highlighted the publication of the business plan 2021-22 following the Scottish Parliament election.

CW confirmed that Cyber Essential Plus certification was awarded in early April 2021 and that all staff will be receiving training on security in the near future.

11 COVID 19 – Staff Impacts and Office Plans

The Board noted the report providing an update on how COVID has affected the Company's culture, detailing the support provided to employees facing the impacts of COVID and key results of regular employee surveys.

It was noted that all surveys have shown a generally positive experience for staff during an extremely challenging year and PR highlighted some benefits identified including reduced travel time and improved work/life balance.

PR advised that a move to hybrid working is being planned for when the office re-opens and the Board noted the key principles for the new ways of working. A re-opening of the office is being planned for the end of June in line with Scottish Government COVID guidelines.

The Board noted and discussed the challenges of re-opening the office including adapting layouts and adopting technology to support hybrid working and acknowledged that a period of experimentation would be necessary.

CW left the meeting.

12 SFT Board Succession

The Board noted the report on succession planning for Board members including the appointment terms and skills and experience matrix for current members.

The Board noted and agreed the proposal that transition dates should be staggered to give a maximum of two new Board members at any point.

The Board reviewed the Board skills and experience detailed in the matrix and agreed that it is important to maintain appropriate skills on the Board through periods of transition. It was agreed that the matrix should be used to identify recommendations to Scottish Ministers for future recruitments.

It was requested that a further update be brought for consideration in November.

Succession planning to be included on agenda for November 2021.

13 Scottish Hospitals Public Inquiry – SFT input

The Board noted the report on the recently received estimate for legal costs for 2021-22 for SFT input to the Scottish Hospitals Public Inquiry. It was noted that the estimate is significantly in excess of the budget currently allocated. PR outlined assumptions on which the estimate is based and the proposed principles for the Company's input to the Inquiry on which to base further negotiations on cost.

The Board discussed and agreed the proposed principles for managing legal costs and emphasised the importance of providing full support to any staff called as witnesses.

The Board requested that updates on the Public Inquiry continue to be given at board meetings.

PR to maintain Public Inquiry verbal updates at each board meeting.

14 Emerging business areas

The Board noted the report on developing work in transport decarbonisation and the deployment of additional budget granted from Transport Scotland.

PR advised that SFT support is being sought for delivery of the £30m Islands fund, a capital investment commitment in the Programme for Government and that engagement is underway to develop the proposal prior to committing to involvement.

PR advised that future business area reports to the board will focus on new and developing areas of work not encompassed by the key deliverables and business plan objectives.

14 AOB

AF referred to the note on internal legal advice appended to Paper04 and it was agreed that AF's emailed comments should be circulated to the Board and PR was asked to consider a further response.

AF's comments on internal legal advice to be circulated and PR to consider a further response.