
MINUTES

Meeting of: Scottish Futures Trust Limited - Board

Date & Time: Monday 3 May 2016, 2.30pm

Place: 1st 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

1 APOLOGIES AND DECLARATION OF DIRECTORS' INTERESTS

There were no apologies.

The Board noted the interests recorded in the register of directors' interests. It was requested that the following interests be included in the register:

GB – appointment as non-executive director for Cruden Holdings Limited, a construction company.

BW – appointment as non-executive director for Choice Housing Ireland Limited, a leading housing association in Northern Ireland.

2 MINUTE OF PREVIOUS MEETING AND MATTERS ARISING

The minute of the meeting of the Board of Directors of 22 March 2016 was agreed as being a correct record.

BW advised that the next actuarial valuation of the pension fund is due in 2017 and it is proposed that a long term policy for addressing any deficit in the fund be drawn up following that valuation.

3 CHAIRMAN'S REPORT

AG advised that he has continued to engage with Ministers including the Deputy First Minister.

It was noted that Scottish Government's recruitment process for a new Chair is underway.

Discussion took place on the current issues which have arisen in some Edinburgh schools procured under PFI prior to the establishment of NPD.

PR gave a detailed presentation on the technical issues that have been identified and explained that the brick and block construction where defects have been found is not now in general use being replaced with steel frame systems, widely used in the NPD and hub programmes.

The Board was advised that the Company, in response to the Edinburgh schools' issues, has been asked to coordinate the sharing of information across the public sector as public bodies review their built estate. The Board was advised of the robustness of contractual, oversight and sign off arrangements across the Company's hub and NPD programmes and the Board requested that a summary note be distributed to all directors outlining differences between PFI and current programme management.

PR to prepare briefing note for circulation to the Board.

The Board discussed a number of strategic areas of activity, in particular developing new approaches to increase housing provision.

4 CHIEF EXECUTIVE'S REPORT

The Board noted the business overview and the end of year report.

BW highlighted the success in the year in dealing with complex and evolving ESA10 issues and achieving a solution that allowed circa £300m of hub DBFM projects to reach financial close in the last quarter of the year. The establishment of LAR Housing Trust was also highlighted, with the independent charity now having completed the purchase of its first homes.

The Board noted in particular the efficiency savings achieved in the asset management programme where in collaboration with local public bodies, the total efficiency savings across all programmes is projected to exceed £600m with the Smarter Offices programme across the public sector continuing to contribute a significant part of this. The Board acknowledged the achievement of these efficiency savings and wider transformational benefits of the programme.

Communications Report – The communications update report was noted and discussed. The Board requested that consideration be given to wider communication of the benefits from the asset management programme discussed. Further discussion took place on publicising the provision of shared service facilities achieved through developments in the hub programme.

BW highlighted that the exhibition sponsored by the Company as part of the Festival of Architecture will have opened by the time of the next Board meeting and suggested that the Board visit the exhibition after the meeting if time allowed. It was further noted that

a stakeholder dinner with Lord Adonis, Chair of the National Infrastructure Commission is being arranged for mid-July in partnership with SCDI.

5 CORPORATE RISK REGISTER

The Board noted the corporate risk register where, as significant projects move out of construction into operation, a risk has been included on quality issues affecting overall project delivery.

PR highlighted the continued risk for the NPD programme of private classification not being achieved. Work proceeds to identify how NPD commercial arrangements may be adapted to satisfy emerging guidance as well as providing value for money.

It was agreed that Board succession should be incorporated in the register.

6 AOB AND DATE OF NEXT MEETING

The next meeting of the Board will take place on Tuesday 14 June 2016 **at revised time of 9.30am** at 11-15 Thistle Street, Edinburgh.