

MINUTES

Meeting of: Scottish Futures Trust Board

Date & Time: 4.00pm, 4th November 2009

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

- Jim Fletcher declared an interest in the schools programme as leader of East Renfrewshire Council.
 - Sir Angus Grossart declared an interest as an advisor to the Miller Group, and in a consortium potentially interested in Airport acquisition through Noble Grossart Ltd.
- The Board noted that neither the Chair nor Board would have direct involvement in procurement decisions and that the declared interests did not create conflicts.

Matters Arising not otherwise covered by the agenda

- a) BW noted that the 5-Year Corporate Plan had been circulated to Board members on 7 October and with no further comments from members had been submitted to Scottish Government Finance Directorate. Following discussion with the Directorate, the Plan is now ready finalised and ready for publication.
- b) BW noted that the Management Statement and Financial Memorandum (MSFM) is now finalised and agreed with Scottish Government, ready for publication.
- c) CM noted that following his address to the Scottish Public Procurement Conference, BW should meet with Alastair Merrill the new Director of the Scottish Government Procurement Directorate.

1. Minutes of the previous meeting

The minutes of the 23rd September 2009 meeting were accepted as a true and fair record.

2. Chairman's Report

The Chairman advised the Board that he had met with Mr Swinney who was very supporting of our ongoing work, in particular citing work on housing, hub and validation. He had met

with professional interests including a talk to around ICAS members to give an update on the SFT agenda.

3. Chief Executive's Report

BW presented his report noting the good progress made towards achieving the stated 09/0 objectives in the Business plan. In particular he highlighted to the Board that Counsel's opinion was being sought on the hub procurement to give increased comfort that risk of challenge had been minimised in the light of recent case law. The Board discussed progress in relation to the future financing of Scottish Water and asked that following earlier contact with the Chairman, WICS be kept informed of our progress. BW highlighted that since his report, Mr Swinney had announced that procurement of the Borders Railway project would be launched in 2009. SFT are working with Transport Scotland on an evolution of the Non-Profit Distributing model for this sector. The Board agreed with BW's assessment of the National Housing Trust proposals,

[Redacted] . [Live procurement]

BW reported that he is continuing to work to integrate new members of the team, with all members to join by mid December. Finally, he highlighted the SFT conference on 19th November in Edinburgh to which all Directors are invited. GB questioned the nature of quality control processes surrounding SFT's own programme and project procurement and delivery mechanisms and asked for a presentation on this at a future Board meeting.

Action: PR to ensure WICS are kept abreast of work in relation to Scottish Water.
BW to prepare a paper on SFT quality control processes for the Board

4. Budget & Finance

a) 08/09 accounts

PR presented the 08/09 Annual Report and Financial Statements, the audit representation letter, the Board Reserved Powers and Whistleblowing Policy. GB, as Chairman of the Audit Committee, précised the discussion at that Committee and recommended adoption by the Board. Following a discussion the Board asked BW to sign the audit representation letter on its behalf, and adopted:

- the statement of Board Reserved Powers;
- the Whistleblowing Policy; and
- the 08/09 Annual Report and Financial Statements

GB reported discussion on outstanding VAT registration at the Audit Committee and the Board asked PR to advise Scottish Government that the Company would have no alternative but to proceed with registration in its own right if substantive progress is not made by end November 2009.

Action: PR to arrange necessary signatures and forward Annual Report and Financial Statements to Scottish Government to be laid before Parliament.
PR to write to Scottish Government setting out the Company's position on VAT registration.

b) 09/10 6 month position

PR presented the 6-month financial position, noting an under expenditure against budget, but with significant uncertainty over the outturn due to potential costs in the second half of the year relating principally to consultancy expenditure on the major programmes and fit-out / furnishing of permanent office premises. The Board noted the position and delegated authority to the Chief Executive to decide on communication of any under spend to Scottish Government.

Cllr Fletcher apologised and left the meeting due to a prior engagement

5. Future Financing

PR presented verbally for discussion some thoughts on likely challenges to future public sector capital budgets in the current economic climate, and associated options for future financing public infrastructure in Scotland in advance of a discussion between BW, PR and Mr Swinney. Board members discussed the presentation and noted its contents.

Action: BW and PR to report back to the Board following discussion with Mr Swinney.

6. Other Business

There was no other business.

Date of next Meeting

16 December- 2pm

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		