
MINUTE

Meeting of: Scottish Futures Trust Board

Date & Time: 1 October 2012 at 11 am

Place: Scottish Futures Trust, 11-15 Thistle Street, Edinburgh

Attendees: Sir Angus Grossart - Chairman (AG)
Barry White (BW)
Carolyn Dwyer (CD)
Graeme Bissett (GB)
Cllr Jim Fletcher (JF)
Fiona Mackenzie (FM)
Peter Reekie (PR)
Jillian Allan (JA – Minutes)

The Chairman welcomed all to the meeting.

1. Minutes of previous meeting

The minutes of the 21 August 2012 meeting were accepted, with amendments, as a true and fair record.

Action: BW to circulate final minutes.

2. Chairman's Report

The Chairman reported on various meetings held with members of the Cabinet including John Swinney and Nicola Sturgeon.

3. Chief Executive's Report

The Chief Executive reported that significant progress has been made across SFT's various work areas since the last Board meeting and briefly outlined the most recent highlights, in particular noting that 3 primary schools are now occupied and that a further 30 schools in Phase 3 of the programme were announced. This brings the total to 67 which is 12 more than the original target within the £1.25bn funding envelope. The board was updated on the Aberdeen TIF Business Case which was rejected at a recent Council meeting.

BW gave the Board members an in-depth update on his recent trip to Infrastructure Ontario. BW explained to members how pension funds are invested directly into projects and how this is structured. He set out the underlying principles that this relies on in Canada and that lessons can be applied in Scotland albeit that there are important differences to recognise.

Action: BW to circulate a paper to Board members on Infrastructure Ontario.

Borrowing Powers & Financing

PR gave the Board members an update on the borrowing powers in the Scotland Act and the Board asked PR to keep it informed of developments in this area. PR gave a verbal update on the potential for index linking of finance within the NPD programme to deliver improved value for money, and increase investor appetite for financing at scale to be structured at a programme level. It was agreed that PR should draft a brief paper for the Chair to use in engagement with key stakeholders on this subject over the coming weeks.

Action: PR to draft paper.

4. Future Realisation of Benefits

BW gave the Board members an update on how the Company measures and reports on the benefits it delivers. It was explained that the current system, externally validated by LSE and Grant Thornton has been extremely useful in communicating SFT's work. However issues such as the truncation at year 10 lead to an understatement of the value of SFT's work. It was also explained that, for example, the £100m of housing procured under NHT in Phase 1 counts as £30m of benefit under the methodology. In future benefits statement it was suggested that wider areas such as jobs protected be given greater prominence.

5. Corporate Update

PR gave an update on a number of corporate issues:

Banking

The Board resolve to add Barry White and Peter Reekie as authorised signatories with Angus Grossart remaining as an authorised signatory.

Health and Safety

The Board noted that there have been no reported incidents and the Chief Executive continues to be satisfied that all necessary steps have been taken to ensure that a safe and healthy working environment is available for all staff and visitors.

Freedom of Information

The Board noted that SFT has received 33 requests for information over the last year, all of which have been dealt with on time. 4 requests have been refused which has led to 2 appeals to the Information Commissioner. One is in relation to TIF scoring where the Commissioner found against SFT and required release by 22 October. The final request was regarding the Buchannan Quarter TIF Business Case where the Commissioner also required SFT to disclose the relevant information. Disclosure is on hold pending a Judicial Review of the Commissioner's decision petitioned by Glasgow City Council and due for hearing on 12 / 13 December.

Action: PR to keep Board members informed of progress on the release of information under FOI.

Insurances

The Board noted that all necessary insurances including Directors' and Officers' have been renewed. SFT's brokers have noted that SFT does not have Professional Indemnity insurance and queried this given their perception of the nature of the Company's business. Management consider that PI cover is not required given SFT's relationship with public and private sector stakeholders but is exploring the nature of cover available in more detail.

Risk Review

The Board discussed the corporate risk register and noted the highest impact risks around potential delays to the hub and NPD programmes along with availability and terms of financing.

Hospitality Register

The Board noted that the policy has been updated to reflect the Bribery Act 2010 which makes it an offence to request, agree to receive or accept a financial or other advantage, with the intention of inducing improper performance by the recipient. The April to June 2012 register was reviewed and included 32 invitations of which 12 were accepted. Registration of hospitality by Non Executive Directors was discussed and it was agreed that this should be noted on the register according to the Company's policy where any hospitality is offered to the Non-Executive Director in their capacity as an SFT Board member.

Public Services Reform Act Publication

The Board reviewed and approved the 2011/12 Public Services Reform Act publication subject to minor amendments.

6. Date of next meeting

TBC.