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## MINUTES

Meeting of: Scottish Futures Trust Board

Date & Time: 10.00am 8<sup>th</sup> April 2009

Place: 48 Queen Street, Edinburgh

Attendees: Sir Angus Grossart - Chair (AG)  
Fiona Mackenzie (FM)  
Colin Maclean (CM)  
Graeme Bissett (GB)  
Cllr Jim Fletcher (JF)  
Peter Reekie – in attendance (PR)

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**Apologies** There were no apologies

### 1. Minutes of the previous meeting

The Board accepted the draft note and asked that these be redrafted as a formal minute to be approved on 20 May

**Action:** PR to redraft formal minute and circulate

### 2. Introduction and declaration of interests

The Chairman introduced the meeting and suggested that at each meeting members and those present should declare any conflicts or potential conflicts of interest in relation to matters on the agenda prior to the main business:

- Councillor Fletcher declared an interest as leader of East Renfrewshire council in the schools project;
- Peter Reekie declared an interest in the hub programme and TIF as an employee of PricewaterhouseCoopers which has, or is tendering for, advisory roles.

A draft template for SFT's register of interests was circulated. Board members will each be sent draft personal entries based on the information which they provided on appointment for agreement prior to publication of the register.

**Action:** PR to circulate draft register entries

### 3. Report by the Chairman

The Chairman updated the Board on progress since last meeting, including the conclusion of CEO appointment (Item 6) and correspondence with Mr Swinney on the priority activities of SFT (Item 4). The Chairman concluded that Mr Swinney's response had been very supportive, in words, of the work to date and priorities of SFT; and that there is a need for further engagement with Scottish Government on the boundaries of peripheral activities. Board members supported the Chairman's approach and registered appreciation in the time commitment and progress that he had made prior to the appointment and arrival of the Chief Executive

### 4. Priorities – updates

The Board discussed the progress update on priority activities tabled as Paper 1. Peter Reekie left the meeting for the discussion on hub and TIF.

Board members noted the importance of quickly getting SFT programmes up and running now that the Chief Executive has been appointed. Members expressed disappointment in the Cabinet Secretary for Finance and Sustainable Growth's lack of any visible swift supportive response on the schools project. The Board supported the Chairman in pressing the Cabinet Secretary to progress this initiative as a matter of priority, recognising that it could fit into a future wider programme, but could not wait for national level resolution of a "perfect" programme before taking anything forward. The Chairman undertook to maintain a firm line and keep the Board Members informed.

The Board noted the potential for SFT to support Local Authorities in investing in infrastructure to meet their residual waste treatment needs. The lack of a settled Government policy position has hampered this investment and there is no clear central co-ordination. There is no immediate action planned and the Board asked that the incoming Chief Executive review the potential for SFT involvement in this sector.

The Chairman described progress with the Water Industry Commission for Scotland (WICS) in exploring opportunities for restructuring Scottish Water to make more effective use of public capital funds. He had met with WICS and Mr Swinney to discuss options at a high level but had not received any feedback from the Cabinet Secretary. The Board noted the potential value to be added in this sector and agreed that SFT, should pursue the Cabinet Secretary's support for further work in this area.

Board members commented that there is a general need to increase understanding of what SFT is about. There is a general perception that SFT is a single mechanism and there is a mismatch of understanding on this, and on budget position of SFT. Government should be clearer on these points. The Board agreed on the need to finalise and publish the SFT Interim Business Plan as a more public statement of the Board's agenda

**Action:** Chairman to press Mr Swinney for progress on Schools project  
PR to brief incoming Chief Executive on waste sector opportunities  
Chairman to seek support from Mr Swinney for further work on SW structure

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GB and PR to work with incoming CEO on Interim Business Plan for publication

## 5. Other potential work streams

The Board discussed potential roles for SFT in housing, ongoing NPD procurements, distressed projects (eg Aberdeen Schools) and validation (eg Forth Replacement Crossing). In relation to housing, the Board asked that the incoming Chief Executive be briefed on the work being undertaken by Scottish Government in order to assess whether SFT could add value within available resources. In relation to the other work areas, PR briefed the Board that with very limited and committed staff resources no work is currently being undertaken in these areas. The Board expressed concern that in undertaking a minor role in ongoing legacy projects, SFT could be seen to be involved in projects without having any real ability to influence outcomes. This would not represent a good use of limited resources. The Board supported the Chairman in reinforcing the independence of SFT to set operational priorities, and resisting any pressure to divert resources at this early stage to work streams that the Board has not identified as a priority.

**Action:** PR to brief Barry White on all potential work areas that have been identified; Chairman to continue to reinforce Board's priorities for SFT action

## 6. Appointment of Chief Executive

The Chairman briefed the Board on the terms and conditions of Barry White's appointment, noting that key terms had been personally agreed by the First Minister. The Chairman noted the delay of over two months in making the appointment whilst Ministers sought personal involvement in finalising terms and conditions. He appreciated Mr White's current employer BAM PPP's agreement to release him prior to the end of his notice period allowing Mr White to take up his post with SFT on 1 May 2009.

The Board endorsed the appointment of Barry White, which had been made by the Chairman and the chair of the remuneration committee, who Members considered he had a valuable range of skills and experience to lead the organisation forward.

## 7. Other business

### a. Committees

Board committees were discussed, where is GB chairing Audit, JF is member, and CM is chairing remuneration with, FM a member. The Board asked Peter Reekie to draft terms of reference for these committees for consideration in the first instance by their respective Chairs.

**Action** PR to draft terms of reference for standing Board committees

### b. Audit

GB outlined the requirement in the Companies Act for external audit of SFT's accounts for the year ending 31 March 2009. The appointment of auditors was a matter for the Board's decision He advised the Board that auditors should be appointed as soon as reasonably

practicable following a suitable competitive process to report within six months of the year end.

**Action** PR to progress appointment of auditors under the direction of GB

**c. Directors and Officers insurance**

GB raised the requirement to have D&O insurance for the Directors of SFT. PR reported that quotes had been sought but it was proving difficult to get cover for a Government owned Company. He was still pursuing the matter.

**Action** PR to expedite – potentially through Willis, Giles, AON or Marsh

**Board Members Expenses**

Members of the Board were reminded that they are entitled to reclaim their reasonable expenses incurred on SFT business. An expenses claim form will be circulated to Board members. Members are encouraged to submit any expenses for FY08/09 as soon as possible.

The chairman indicated that his company Noble Grossart Ltd had provided substantial services in support of SFT, including secretarial support, office expenses and use of meeting rooms. This had particularly been the case over the initial months where his chairmanship had been at a more executive level than anticipated. The Board agreed that SFT should bear the costs incurred in these matters and the chair of the audit committee was asked to take the necessary action.

**Action** Board members to submit any outstanding expenses  
GB to consider reimbursement of Noble Grossart Ltd.

**Meeting closed at 12:45 pm**

**Date of next Meeting**

20 May 2009 at 14:00

		20 May – <b>2pm proposed</b>	24 June – 10 am
12 August - 10 am	23 September - <b>2pm proposed</b>	4 November - 10 am	16 December - <b>2pm proposed</b>

*– note Board members agreed in principle to move the May meeting to the afternoon due to a diary clash. A similar clash applies in both September and December. Please advise Peter Reekie if the above emboldened time changes are not suitable*