

MINUTES

Meeting of: Scottish Futures Trust Board

Date & Time: 2.30pm, 8 March 2010

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)
Christa Reekie – in attendance at 3.00pm to deliver NHT presentation

The Chairman welcomed all to the meeting.

Declaration of Interests

No new declarations of interest were reported.

1. Minutes of the previous meeting

Subject to the amendment required on Page 2 as discussed and agreed, the minutes of the 25 January 2010 meeting were accepted as a true and fair record.

2. Chairman's Report

The Chairman reported that he has been in regular contact with the Chief Executive and that both have continued to meet with key press members and SFT stakeholders to update them on general SFT activities. AG and BW met with John Swinney at the Parliament on 24 February in this regard.

AG reported that as part of the proactive approach to communication a "Just the Facts" briefing paper has been drafted. This will be updated regularly and used in a targeted way with the press and other stakeholders.

AG met recently with representatives from the European Investment Bank (EIB) and reported that EIB welcomed SFT as a portal for communication and encouraged us to act as a conduit on large projects, eg Waste.

AG reported that throughout the year he maintains contact and meets regularly with Board members to discuss and appraise individual performance in an informal setting.

AG asked the Chief Executive to inform Board members of the date for this year's SFT Conference once confirmed.

Action: BW to advise Board members of date for this year's SFT Conference.

3. Chief Executive's Report

a) Overview

BW presented his update paper to the Board, highlighting the first allocation of funding in the schools programme of over £40m, supporting a total spend of £60m. This investment is now due to move to procurement and the next tranche of funding is waiting to be allocated.

b) Schools

i) Schools Investment Programme

BW reported that the Scottish Government (SG) is looking at capital profiles and forecasting but without the benefit of a comprehensive spending review.

Action: BW to work with SG's Director of Finance and for SFT to feed into the review.

ii) Schools National Programme Board (SNPB)

BW presented to Board members the previously tabled Terms of Reference for the SNPB with relatively minor changes noted thereon. **The Board approved the Terms of Reference as amended.**

BW advised the Board that David Dorward, Chief Executive of Dundee City Council, has been nominated as the SOLACE representative onto the SNPB and will attend its next meeting on 10 March 2010.

Action: BW/GB to discuss BW's role as Chair of SNPB.

c) Hub

BW reported that further good progress has been made in both the North and South East Territories, highlighting that the North Territory is moving to a short list of 3 bidders (out of 7 applicants). The engagement process with two further territories (West and East Central) has also commenced.

d) TIF

BW reported that the next significant milestone is the submission of Business Cases to Scottish Government (requiring SFT approval) which are likely from at least one Council in April 2010. The Board noted that this provides a real opportunity for SFT to take forward next year and make progress.

e) Waste

BW highlighted the recent shift in public sector waste procurement plans (with the redefinition of municipal waste). BW advised Board members that this will allow proper national strategic waste development and that SFT could take a role to assist in streamlining the procurement process.

f) Staff/Recruitment

PR reported that a shortlist of recommended candidates for the Communications Manager, Finance Executive and team of four Admin Support staff will be put forward by the selected recruitment agency within the next fortnight.

Action: BW to identify names of all applicants for the role of Communications Manager and forward to AG.

g) Communications/Press

BW reported that SFT will manage approximately £1bn of alternatively funded work over the course of the next quarter/year and his aim is to ensure more facts and figures on the tangible benefits realised by SFT are in the public domain.

BW advised Board members that meetings and discussions with key journalists are ongoing and that a targeted campaign of press releases is underway. Work on the revised SFT website also continues and will showcase more evidence of SFT activity going forward.

h) Scottish Water

The Board noted that SFT is working with stakeholders to consider viable and efficient financing arrangements for Scottish Water in public ownership and agreed that it would be useful to see a synopsis of the options for Board consideration.

Action: BW/PR to update Board Members at next meeting.

4. Business Plan 2010/11

BW presented the draft business plan for 2010/11. BW thanked Board members for their initial thoughts and contributions which had helped shape the plan. BW presented the highlights of the plan and asked Board members for their initial comments by close of business on 15 March. This will allow BW a further week to 22 March for refining the Executive Summary with the document ready to publish in April.

Following a discussion on tangible benefits realisation, the Board agreed that external validation/independent review is essential. The Board also agreed that two or three different ways of providing evidence of performance should be presented.

Action: BW to discuss and refine Benefits Realisation statistics and progress external validation/review.

BW to consider providing more detail/evidence of SFT activity/achievement in each area from last year's business plan objectives.

5. National Housing Trust (NHT) presentation

Christa Reekie joined the meeting at 3.00pm and delivered a presentation to the Board on the National Housing Trust Initiative.

General discussion followed on the aims, structure and funding of the NHT scheme. The Board noted that SFT has the opportunity to take a major step forward in developing and leading the implementation of this funding initiative.

Action: BW to follow up with SG this week and confirm that appropriate guarantees on funding are available.

6. Future Office Accommodation

BW advised the Board that the objective to move office by the end of this financial year would not be achieved. An alternative office to Sovereign House had been identified in Thistle Street. SFT will take forward discussions on both properties, identify the best value for money deal, and then proceed with signing a lease. BW explained that to comply with the MSFM, SG approval is required when signing a long term lease and that this had contributed to the delay in securing new premises.

Action: BW to progress and highlight if SG approvals will cause any delay.

7. Budget & Finance

a) Month 10 - Actual versus Budget as at end January 2010

PR presented the 10 month financial position, noting that the under spend against budget has increased as projected, given that no significant advisor appointments, and hence spend, can be undertaken prior to the year end. In line with the paper on future office accommodation submitted to the Board for consideration, a fit out and furnishing cost net of VAT remains allowed for in the March budget however it is now clear that this budget will not be spent in 2009/10 and discussions are ongoing with SG to carry forward this amount into 2010/11.

Action: PR to present details on project budgets/projected expenditure and contingency plans for the next financial year for discussion at the next Board meeting.

b) VAT Registration

PR advised the Board that it is now possible that the VAT position will not be resolved prior to the year end, meaning that SFT will have to pass on VAT as a cost to Scottish Government, as has been the case in invoices sent to date. PR confirmed that VAT can be registered for in other areas of the business, eg charging hub territories.

PR explained that SG has now consulted with HMRC and determined that for 2009/10 it looks like a funding, rather than trading, agreement. The Audit Committee has agreed to draw a line under this issue and accept SG's stance. The Finance Director will write back and make them aware of implications. For 2010/11 onwards have a fixed position from month one.

Action: BW to discuss VAT position with Director of Finance at their next meeting.

PR to write to SG.

8. Any Other Business

a) Audit Committee

PR reported that the Audit Committee had met earlier today and approved the reappointment of Scott Moncrieff as external auditors for the 09/10 financial year. At its next meeting, the Audit Committee will review the requirement for an internal audit function to help SFT execute responsibilities, project by project.

b) Remuneration Committee

CM as Chair of the Remuneration Committee reported to the Board that the Committee had met earlier today and approved the recommendation that, in the current economic climate, no bonus and pay increase be awarded in the 2010/11 salary review and that this information is in the public domain. The Committee also approved a revised and final version of the SFT Expenses Policy and a copy of this is to be passed to Board members.

Action: PR to circulate copy of Expenses Policy to Board members.

9. Date of next Meeting

Monday, 10 May 2010 at 2.30pm.

There being no further business, the meeting was closed.

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		