
MINUTES

Meeting of: Scottish Futures Trust Board

Date & Time: 7th March 2011 at 2:15pm

Place: SFT Boardroom, 11-15 Thistle Street, Edinburgh

Attendees: Sir Angus Grossart - Chair (AG)
Graeme Bissett (GB)
Carolyn Dwyer (CD)
Cllr Jim Fletcher (JF)
Fiona Mackenzie (FM)
Barry White (BW)
Peter Reekie (PR)
Tony Rose (TR) – in attendance at 3pm

Apologies: None

The Chairman welcomed all to the meeting.

1. Company secretarial matters (incorporating Agenda item 1 – review of Register of Interests)

Introduction

At the 25 January Board Meeting, PR tabled a paper discussing:

- Appointment of Carolyn Dwyer to the Board and resignation of Colin Maclean
- Authorisation of Situational Conflicts
- Change in Registered Office address

The Board noted these items in principal for resolution at a future meeting once the Scottish Government had made the required Ordinary Resolution of the Company. The relevant resolution has now been received.

a. Changes to board of directors

There was produced to the meeting:

- i. a letter from Colin Maclean resigning his directorship of the Company with effect from 31st January 2010; and

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- ii. a written resolution passed by the sole member of the Company appointing Carolyn Dwyer as a non-executive director of the Company with immediate effect.

The resignation and appointment were duly noted.

b. Directors' situational conflicts of interests

It was noted that the sole member of the Company had passed a written resolution authorising the directors of the Company in accordance with section 175(5)(a) of the Companies Act 2006 ("the Act") to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director under that section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

It was noted that a copy of the Company's current register of interests as published on the Company's website ("the Register") had been circulated to each director in advance of the meeting, and that each director had confirmed that all of his or her interests disclosed in the Register should be considered and if thought appropriate authorised in terms of sections 175(5) and (6) of the Act. It was resolved that, for the purposes of section 175(5)(a) of the Act, this method of proposing the matter for consideration be approved.

There was produced and tabled a copy of the Register. It was noted that Carolyn Dwyer had submitted a list of her interests to be added to the Register and to be considered for authorisation. Fiona Mackenzie asked that her post as Honorary Professor of Stirling University be added to the Register. Peter Reekie asked that his post as Non-executive Director of hub South East Scotland Ltd be added to the Register. As each interest of each director was discussed and considered as a separate matter, the chairperson noted that each such director and any other interested directors as regards that matter did not count towards the quorum. The meeting remained quorate notwithstanding this.

The chairperson reminded directors that, in considering each of the authorisations sought, all of the general duties of directors set out in the Act applied. In particular, the directors had to consider whether the giving of the authorisation would be likely to promote the success of the Company for the benefit of its members as a whole in accordance with section 172 of the Act. After careful consideration, it was resolved (with neither the director requesting authorisation of the particular matter, nor any other interested directors, voting on that matter) separately in respect of each director that:

- i. the positions and interests in shares and securities held by the director as listed in the Register are hereby authorised;
- ii. the general duty under section 175(1) of the Act is qualified in respect of the director to allow him/her to hold any such position and such interests in shares and securities, even where that conflicts or possibly may conflict with the interests of the Company.

It was further resolved that each authorisation given above may be varied or terminated by the board at any time and that any variation or termination will be notified to the director in question.

c. Change of registered office

It was resolved to change the registered office of the Company from 15 Atholl Crescent, Edinburgh EH3 8HA to 11-15 Thistle Street, Edinburgh, EH2 1DF.

d. Administrative matters

Peter Reekie was requested to make all necessary filings with Companies House and to update the Company's records and registers.

Peter Reekie was requested to notify the change in registered office to the Company's bankers, auditors, HMRC and other interested persons, and to ensure that the Company's headed stationery and website were updated accordingly.

Action: PR

2. Minutes of previous meeting

The minutes of the 25th January 2011 meeting were approved.

SFT's submission to the Christie Commission was discussed, BW confirming that the final version was due to be submitted. Jim Fletcher asked to review the paper prior to its submission.

Action: BW

BW confirmed that Alastair Young had been invited to the next Board meeting to speak to the Board about SFT's work in relation to waste treatment, and that Kevin O'Hare is currently working on an updated version of Just the Facts, as requested at the previous Board meeting.

3. Chairman's Report

The Chairman reported that since the last meeting he has been working on ensuring cross-party understanding and awareness of SFT's achievements and addressing any criticisms. The proposed meeting between John Swinney and the SFT Board has now been organised and will take place at the Scottish Parliament on 17 March 2011. The Chairman informed Board members that he will also be meeting with the First Minister in a few days. The article on SFT written by Bill Jamieson was discussed and BW noted that this had been very positive. The Chairman reported that he had also been in contact with other members of the press and professional bodies and advised the Board that he would welcome any further opportunities to raise awareness and understanding of SFT.

4. Chief Executive's Report

BW discussed recent work SFT has been carrying out in order to meet the challenge of ensuring value for money is being achieved for taxpayers, and the pragmatic way in which this strategy is being implemented.

BW spoke about the positive work being done in the areas of NHT and TIF. JF suggested that SFT should work hard to raise awareness of its involvement in TIF and TIF's beneficial impact. The significant work SFT is embarking upon with COSLA with regard to renewables was also discussed.

Action: BW to provide to the Board a one-page summary on TIF and NHT.

Action: PR to send explanatory note to JF detailing renewables work.

a. Asset Management

SG budget recommendations highlighted this as an area of emerging opportunity for SFT and work has commenced in this area.

b. Risk & Contingency Management

The Board welcomed Tony Rose to the meeting. TR updated the Board on the work that is taking place to explore risk management and optimism bias. SFT is currently gathering evidence in order to identify a best practice approach and to put forward recommendations and options relevant to Scotland. The initial work will be completed by the end of March. The Chairman noted that this could potentially yield substantial long-term benefits through savings generated.

c. Forth Replacement Crossing Review

SFT has carried out a review of the FRC project and has been working with Transport Scotland, providing recommendations on matters including risk management and resource allocation. TR talked through issues pertaining to the project and reported that SFT's input has been well received.

The Board thanked TR for joining the meeting.

The Board was advised that Kevin O'Hare had been offered a post at Fife Constabulary and would be leaving SFT at the end of the month. An interim Communications Manager is currently being sought.

5. Business Plan

BW presented to the Board the final draft of the Business Plan 2011/2012. The structure of the plan is similar to that of previous years but there has been a concerted effort this year to simplify the language and to make the plan more broadly accessible. BW reflected on SFT's significant achievements over the past year and expressed his satisfaction in presenting to the Board a business plan that builds on SFT's successes to date.

PR presented the Budget Summary (Annex 2).

Discussion followed about possible additions to the draft Business Plan. The Chairman and Board members commented that it is an excellent document that reflects the significant progress SFT has made to over the past year. The Business Plan was approved with the Chief Executive having delegated authority to finalise the plan, taking into account any final comments from the Board.

Action: Board members to send any final comments to BW by the end of the week.

6. HR & Staffing

The following recommendations were made to the Board:

- a. Given the significant progress made by SFT in 2010/11, there is a clear case to award a bonus to staff in recognition of work done in 2010/11 and an annual salary increase at the beginning of 2011/12. The commitment from staff and their drive, enthusiasm and skill are clearly essential to SFT's continuing success. However, the current economic climate must be taken into account and therefore the recommendation is that no bonus should be paid for 2010/11 and that the annual salary increase should again be a nil increase.
- b. Following the annual review set out in the expenses policy, for 2011/12 mileage allowances will be frozen at the current rates. Going forward, in order to encourage the use of fuel efficient vehicles mileage rates will be based on average fuel prices and improved efficiency assumptions.
- c. Training and development continues to be an important part of SFT business. Training needs will be assessed as part of the 2011/12 appraisal process which starts in April. Individual objectives will be set for 2011/12 based on the following staff performance objectives:

Corporate objectives:

1. Delivery of value for money leading to benefits and savings in the £100-150 million range
2. Amount and timing of innovative/additional finance procured
3. Achieving key milestones on projects/key programmes

Broader objectives:

1. Engaging with SMEs through SFT's various programmes
2. Communication and awareness of SFT's aims and objectives

The Board agreed with these recommendations and acknowledged the commitment and hard work of SFT staff.

7. Finance & Risk

Finance Report

PR talked through the Finance Report making reference to the fact that the outturn position remains unchanged, £2.6m under budget. A general view was expressed that SFT should raise awareness of this under spend at the appropriate time. PR agreed that mention should be made of this, as well as the meeting of 2010/2011 objectives and the benefits and savings made, either when issuing the Business Plan or when issuing the Annual Report.

Risk report

PR talked through the Risk Report which sets out project and business risks relating to SFT and SFTI. SFT are working with SG exploring ways to deliver value without incurring additional risk. Possible additions to the report were discussed.

Action: PR to update risk register.

8. AOB

There being no further business, the meeting was closed.

9. Date of next Meeting

Wednesday 4 May 2011 (2.30pm)

Meeting Dates for 2011 (meetings for the remainder of the year currently being scheduled) – all meetings start at 2.30pm unless otherwise stated:

25th January	7th March 2.15pm	4th May	27th June 3.30pm
15th August	3rd October 10.30am	5th December	