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**MINUTE**

Meeting of: Scottish Futures Trust Limited - Board

Date & Time: Monday 09 October 2017, 2pm

Place: 11-15 Thistle Street, Edinburgh, EH2 1DF

Present: Ian Russell, Chair (IR)  
Carolyn Dwyer (CD)  
Jim Fletcher (JF)  
Fiona Mackenzie (FM)  
Ann Faulds (AF)  
Graham Watson (GW)  
Barry White (BW)  
Peter Reekie (PR)

Apologies: none

In attendance: Claire Robertson (CR)  
Viv Cockburn (VC) (part meeting)  
Fiona Ogg (FO) (part meeting)

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**1a APOLOGIES AND REGISTER OF DIRECTORS' INTERESTS**

There were no apologies.

There were no new declarations of Directors interests.

**1b DISCUSSION**

Discussion on the 'Programme for Government' was deferred to the board meeting on 27 November.

**2 MINUTE OF PREVIOUS MEETING AND MATTERS ARISING**

The minute of the meeting of the Board of Directors of 21 August 2017 was agreed as being a correct record.

**3 ACTION TRACKER**

The actions were reviewed, agreed and timescales for ongoing actions noted.

**4 CHIEF EXECUTIVE'S REPORT**

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**4a Business overview**

The Board noted the business overview.

BW explained the work SFT has undertaken with Scottish Government (SG) planners to engage on the development of a Planning Advice Notice on Build to Rent (BTR).

**4b Progress against business plan objectives 2017-18**

The Board noted the report detailing performance against all 2017-18 business plan objectives.

BW highlighted that the Scottish Government is due to launch the Rental Income Guarantee Scheme (RIGS) at the Build to Rent Forum Scotland. BW confirmed that SFT is ready to deliver RIGS following the launch. The Board discussed options for a future role championing the BTR sector.

PR updated the Board on the 4G mobile infill procurement.

PR highlighted that the digital team had pursued discussions on the potential for a sub-sea communications cable landing in Scotland. The Board noted the potential value of this for the economy and asked to be kept informed of developments.

*BW to circulate copy of 'The Economist' article on the sub-sea cable.*

PR confirmed that the evaluation on approaches to assess the socio-economic impacts of heat schemes has now been completed.

PR explained the likely need for significant investment in increasing public and private sector energy efficiency to attain Scotland's climate change goals. The main areas for investigation for increased activity by SFT are heat usage and infrastructure to support the phasing out of new petrol and diesel vehicles by 2032. IR noted that lessons can be learned from the implementation of renewable generating technologies.

PR highlighted the successful completion of major NPD programme projects: Dumfries and Galloway Royal Infirmary and SNBTS National Centre and that the M8/M73/M74 Motorway Improvements is now open to traffic. He also confirmed that Anderson High School and Elgin High School have reached completion and been handed over.

It was noted that all but 2 objectives are on track for completion or complete. The Board noted that one significant NHT site would not be completed by the year end but that it remained part of the programme with no financial liability to SFT as houses are only bought when complete. The interaction between TIF and City Deal was discussed with the Board noting the potential for a TIF objective not to be met. It was agreed that if the investment goes ahead through a route other than TIF this would still represent a successful outcome for communities.

PR highlighted that 12 more schools opened in August 2017 taking the total to 67 across the Schools for the Future Programme, reaching a programme milestone seven months early. It was noted that the programme has been extended from 112 to 116 schools through efficient delivery rather than an increase in budget.

The BIM Guidance Portal is proving successful with award nominations and international interest. Consideration is being given to any potential value in protecting the intellectual property in the portal.

*PR to update the Board on the decision whether or not to protect intellectual property at a future meeting.*

It was noted that the Scottish Government's Pentland House in Edinburgh will be closing in November 2017, which will complete delivery of the £28m financial target for the first phase of the Smarter Workplaces Programme. This was noted as a very significant achievement dating back to the reports written by SFT in 2011, followed by the adoption of the targets in 2012, and the subsequent deployment of staff to support achieving the targets.

PR confirmed that he sits on the Smarter Workplaces Programme Board (SWPB) and that the Board is considering options for a further set of central estate properties where leases are due to end over the coming few years. Options which deliver economic stimulus from construction activity are being promoted through the business case development for the next phase of the programme.

The Board discussed the significant progress made on major disposals for NHS Lothian, namely Royal Hospital for Sick Children in Edinburgh and Bangour Hospital.

#### **4c Communications Report**

The report on recent and planned communications activity was noted.

#### **5 FINANCE REPORT**

*VC joined the meeting.*

The Board noted the Finance Report summarising the financial position for the six months to 30 September 2017 and providing details of performance against Business Plan budget to date and the forecast outturn for the year.

VC confirmed that the Scottish Government draft 2018/19 budget is likely to be published in mid December and noted that all bodies had been asked to prepare plans for down-side budget scenarios. The Board noted that a high proportion of the company's costs are fixed, and that any substantive reduction in budget would be likely to lead to a reduction in the objectives which are able to be achieved.

*VC to produce paper addressing plans for various budget scenarios.*

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**6 CORPORATE REPORT**

**6a Corporate Risk Register**

The Board noted the risks outlined in the register and were particularly concerned with the rise in cyber crime and sophisticated scams. VC explained the procedures the company follows to limit this threat, including Internal Controls and Financial Procedures, vigilant staff, ICT systems development and a recent cyber security review. PR confirmed that SFT has a relatively low transaction volume and does not hold personal or financial information relating to members of the public, so the major threat is to business continuity and organisational reputation as we are handling commercial and governmental information.

The Board agreed that certain operational risks have increased over time and should be clearly marked on the register.

*VC to update the risk register for the November meeting and include the risk of budget cuts.*

**6b Post project evaluation**

PR summarised the practices across major SFT work programmes and the Board noted the review paper. The Board discussed the variation in practice across projects and the Board requested sample Post Project Review and Post Project Evaluation Reports from a range of projects across programmes.

*PR to produce a paper including sample post project review and evaluation reports for a future meeting.*

**6c Insurances**

VC talked to the review of insurances held by SFT which was noted by the Board.

*VC left the meeting.*

**6d Hospitality Register**

The Board noted the Hospitality Register for the period 1 April to 30 June 2017. BW explained the purpose of the register and highlighted that staff frequently turn down hospitality.

CD suggested that a monetary banding for estimated cost of hospitality be included in the register where the precise sum is unknown.

*BW to include monetary bands in the register for the estimated cost of hospitality.*

**7 BOARD SUCCESSION PLANNING**

*FO joined the meeting.*

The Board noted the document outlining the appointment term and expiry dates of all Board members. It was observed that FM and CD appointments will terminate at the end of December 2018. It was agreed that for future appointments, succession should be staggered to limit loss of knowledge, expertise and experience at one time. It was agreed that the item 'Discuss and agree Non-Executive Board succession planning' should be added to the next Board agenda.

*All Board members to consider skill sets required and where the required expertise may be drawn from.*

*BW to prepare a paper for the November board meeting on process and options for Non-Executive Board succession planning.*

The Board resolved to establish a Nominations Committee to contribute to the selection process for the new chief executive, comprising all non executive directors, and that the Committee should meet immediately following the Board meeting.

*FO left the meeting.*

## **8 ANY OTHER BUSINESS**

The Chairman noted the end of Jim Fletcher's directorship term at the end of December 2017, and thanked him for his nine-year service to the Board since the Company's inception in 2008.