

PERFORMANCE & AUDIT COMMITTEE

**REMOTE MEETING VIA MS OFFICE TEAMS
ON FRIDAY 4 MARCH 2022
1.00pm**

PRESENT:	<u>Name</u>	<u>Organisation Title</u>
	Councillor Imrie (Chair)	Midlothian Council
	Councillor Dempsey	Fife Council
	Councillor McMillan (A1 – A6)	East Lothian Council
	Councillor Murtagh (A1 – A8)	Falkirk Council
	Councillor Rose	City of Edinburgh Council
	Simon Hindshaw	Non-Councillor Member
	Doreen Steele	Non-Councillor Member

IN ATTENDANCE:	<u>Name</u>	<u>Organisation Title</u>
	Stuart Allan	City of Edinburgh Council
	Angela Chambers	SEStran
	Cheryl Fergie	SEStran
	Andrew Ferguson	SEStran
	Keith Fiskien	SEStran
	Jim Grieve	SEStran
	Anna Herriman	SEStran
	Peter Jackson	SEStran
	Karen Jones	Azets
	Colin McCurley	City of Edinburgh Council
	Lesley Newdall	City of Edinburgh Council
	Iain Shaw	City of Edinburgh Council
	Sarah Stirling	City of Edinburgh Council

Action by

A1. ORDER OF BUSINESS

It was confirmed that there was no change to the order of business.

A2. APOLOGIES

Councillor Balsillie, Callum Hay and Barry Turner.

A3. DECLARATION OF INTERESTS

Councillor Cameron Rose declared a non-financial interest in item 6(a), Revenue Budget 2022/23 and Indicative Financial Plan 2023/24

to 2024/25, as a quasi-Trustee member of the Lothian Pension Fund.

A4. MINUTES

To approve the minute of the Performance and Audit Committee of 19 November 2021 as a correct record.

A5 AUDIT PLANS 2021/22

(a) External Audit Plan 2021-22

The work plan for the 2021/22 external audit of the South East of Scotland Transport Partnership was summarised.

Decision

To note the External Audit Plan for 2021/22.

(Reference – report by the External Auditor, submitted)

(b) Internal Audit 2021/22

The City of Edinburgh Council Internal Audit (IA) team performed one annual review to provide assurance over the controls established to mitigate certain key SEStran partnership risks.

An update was provided on the outcomes of the 2021/22 SEStran IA review. The Performance and Audit Committee's insights were sought on areas for potential inclusion in the scope of the planned 2022/23 audit.

Discussion occurred on the potential risks of SEStran aiming to meet objectives within its resources. Lesley Newdall agreed to take this away for consideration.

Decision

To note the outcomes of the 2021/22 IA review, and the associated costs.

(Reference – report by the Chief Internal Auditor, submitted)

A6. FINANCE REPORTS

(a) Revenue Budget 2022/23 and Indicative Financial Plan 2023/24 to 2024/25

The revenue budget for 2022/23 and an indicative financial plan for 2023/24 to 2024/25 were presented for review by the

Performance and Audit Committee.

The proposed revenue budget for 2022/23 would be presented to the Partnership Board for approval at its meeting on 18 March 2022.

The committee was advised that the Scottish Government had confirmed the revenue grant for 2022/23 would be £782,000.

Discussion occurred on concerns raised regarding being able to source alternative funding for projects going into future years and whether this was being built into the forecast. Confirmed sources were currently built in and SEStran had an objective to source additional external funding to replace EU funding streams.

Decision

- 1) To note the financial planning assumptions for the Partnership's proposed revenue budget for 2022/23.
- 2) To note that financial planning for 2023/24 to 2024/25 would continue to be developed throughout 2022 for consideration by the Partnership in December 2022.
- 3) To note that the proposed budget was subject to a number of risks. All income and expenditure of the Partnership would continue to be monitored closely with updates reported to each Partnership meeting.

(Reference – report by the Treasurer, submitted)

(b) Annual Treasury Management Strategy

A Treasury Management Strategy for 2022/23 was proposed.

Decision

- 1) To review the Annual Treasury Management Strategy.
- 2) To refer the Strategy to the Partnership Board to approve the continuation of the current arrangement, as outlined in Appendix 1 of the report.

(Reference – report by the Treasurer, submitted)

A7. STAFFING UPDATE

The Committee, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of items A7 of the minute for the reason that it involved the likely disclosure of exempt information as defined in Paragraphs 1 and 6 of Part 1 of Schedule 7(A) of the Act.

An update report was considered in relation to the Partnership's staffing arrangements.

Decision

Detailed in the Confidential Schedule, signed by the Chair, with reference to this minute.

(References – SEStran Performance and Audit Committee 3 May 2019 (item A4); report by the Business Manager and the SEStran HR Adviser, submitted)

A8. RECRUITMENT PROCESS FOR PARTNERSHIP DIRECTOR

The current Partnership Director had indicated his intention to retire this year.

In terms of the Governance Scheme, it fell to the Performance and Audit Committee to take decisions on all staffing matters which were not otherwise delegated to the Partnership Director. This included performance appraisal and remuneration matters related to the Partnership Director, and changes to terms and conditions.

A recruitment process would be set into motion, given the current Partnership Director's intention to retire.

Decision

- 1) To agree the recruitment process as set out in the Appendix of the report, and recommend to the Board that they establish an Appointments Committee to enable the recruitment process to be finalised.
- 2) To agree the terms and conditions set out at paragraph 2.2, delegating to the Business Manager and HR Adviser, in consultation with the Chair, any further changes to such terms as may be deemed necessary.
- 3) To agree to the appointment of specialist HR consultants to assist and advise on the recruitment process for this level of post.

(Reference – report by the Business Manager, submitted)

A9. PROJECTS PERFORMANCE REPORT

Details were provided on progress over the last quarter across SEStran's projects and key work streams. Impacts on progress or delivery were explained where required.

The committee was advised that there was ongoing engagement with several projects within Fife, including the Levenmouth project, Mobility Hub funded study, the SEStran Strategic Network and RTPi work in Newburgh. Anna Herriman would ensure the report fully reflected all the work taking place within Fife.

Keith Fiskien provided a presentation on the Connect Project. Co-funded by the Interreg North Sea Region Programme, this project aimed to promote green transport and mobility, with a focus on innovative or improved transport and logistics solutions and long-distance road transportation. The budget was €3.67m, with 50% of this funded by the EU.

Connect was taking a regional approach to maximising logistic flows and new infrastructure, across several international partners. SEStran had been tasked with assessing ports within the Connect framework to determine how applicable and robust the framework was. It was felt that the current infrastructure could be adapted to maximise potential for modal shift.

The study on Forth Ports would be reported back in early 2023.

Decision

- 1) To progress on existing projects outlined in the Performance Report at Appendix 1 of the report.
- 2) To note the inception of the Go SEStran project summarised in paragraph 2.3 of the report and outlined in the Performance Report at Appendix 1.

(Reference – report by the Senior Partnership Manager, submitted)

A10. HEALTH AND SAFETY POLICY

The Performance and Audit Committee were presented with a copy of the Health and Safety Policy Statement attached as an Appendix

to the main report. This concluded the annual HR policy review.

It was raised that it would be helpful to include within the report the responsibility of ensuring that health and safety policies for SEStran contractors were appropriate and up to date.

Decision

- 1) To approve the amendments made to the Health and Safety Policy Statement for implementation.
- 2) To add the responsibility of ensuring appropriate healthy and safety policies were in place for contractors to the roles of the Partnership Director and the Senior Partnership Manager.

(Reference – report by the Business Manager, submitted)

A11. DATE OF NEXT MEETING

1.00pm on Friday 9 September 2022.