

PERFORMANCE & AUDIT COMMITTEE

**Dean of Guild Court Room, City Chambers
on Friday 27 February 2026
1.00pm**

PRESENT:	<u>Name</u>	<u>Organisation Title</u>
	Councillor Tom Conn	West Lothian Council
	Councillor Derek Glen	Fife Council
	Councillor Scott Harrison	Clackmannanshire Council
	Councillor John McMillan	East Lothian Council
	Simon Hindshaw	Non-Councillor Member

IN ATTENDANCE:	<u>Name</u>	<u>Organisation Title</u>
	Brian Butler	SEStran
	Angela Chambers	SEStran
	Christopher Gardner	Audit Scotland
	Calum Finlayson-Crawshaw	Audit Scotland
	Michael Melton	SEStran
	John Connarty	The City of Edinburgh Council

A1. APPOINTMENT OF CHAIR

In the absence of the Chair, Councillor John McMillan was appointed to the Chair.

A2. ORDER OF BUSINESS

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

A3. APOLOGIES

Apologies were submitted on behalf of Councillor Imrie, Doreen Steele, Callum Hay and John Scott.

A4. DECLARATION OF INTERESTS

None.

A5. MINUTES

- 1) To approve the minute of the Performance and Audit Committee of Friday 21 November 2025 as a correct record; and
- 2) To note the minute of the Project and Strategy Delivery Oversight Subgroup of Friday 30 January 2025.

A6. FINANCE REPORTS

(a) Revenue Budget 2025/26 and Indicative Financial Plan 2027/28

An update on the development of a partnership budget for 2026/27 and an indicative financial plan for 2027/28 to 2028/29 was presented to the Committee, noting that the proposed revenue budget for 2026/27 would be presented to the Partnership Board for approval at the March 2026 meeting.

Decision

- 1) To note the financial planning assumptions for the Partnership's proposed budget for 2026/27;
- 2) To note that financial planning for 2026/27 to 2028/29 would continue to be developed for approval of a budget by the Partnership at its meeting on 13th March 2026; and
- 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 2025/26

The Treasury Management Strategy for 2025/26 was presented.

Decision

- 1) To refer the Strategy to the Partnership board to approve the continuation of the current arrangement.

(c) Finance Officer's report

The third update on the financial performance of the Partnership's Core and Projects budgets for 2025/26, in accordance with the Financial Regulations of the Partnership was presented along with an analysis of financial performance to the end of December

2025. It was acknowledged that the Partnership's Core and Projects budgets for 2025/26 were approved by the Partnership on 14th March 2025.

Decision

- 1) To note the balanced forecast for the Core revenue budget for 2025/26
- 2) To note the forecast underspend of £70,000 on the Projects budget. The actual underspend would be confirmed at the financial year-end and carried forward to 2026/27.

(Reference – report by the Treasurer, submitted)

A7. EXTERNAL ADUIT PLAN 2026/27

The External Auditor's Annual Aduit Plan for 2025-26 was presented.

Decision

- 1) To note the External Audit Annual Aduit Plan;
- 2) To refer the External Audit Annual Aduit Plan to the Partnership Board meeting of 13 March 2026 for noting.

(Reference – report by the Treasurer, submitted)

A8 RISK MANAGEMENT FRAMEWORK

The quarterly update on SEStran's corporate risk register was presented.

Decision

- 1) To note the contents of the report;
- 2) To note that the corporate risk register would be presented to the 13 March 2026 Partnership Board for noting;
- 3) To note that a paper on the risks and opportunities presented by a review into transport governance (R001) would be presented to the Partnership Board on 13 March 2026.

(Reference – report by the Business Manager, submitted)

A9. PROJECTS AND STRATEGY PERFORMANCE REPORT

An update on the performance of the Partnership's strategy and

project workstreams in Quarter 3 of 2025/26 was presented, noting that the report was presented to the Project and Strategy Delivery Oversight Subgroup (PaSDOS) on 30 January 2026.

Decision

To note the contents of this report

(Reference – report by the Programme Manager, submitted)

A10 Asset Management Strategy

An update was presented on the Partnership's Asset Management Strategy and Asset Derecognition Form to the Committee for approval in line with organisational procedures and to address the recommendations from the Annual Audit Report 2024-25.

Decision

To approve, subject to any recommended changes following a discussion with External Auditors and the Treasurer around delegated asset derecognition limits to the Partnership Director, the update to the SEStran Asset Management Strategy and the associated process to approve derecognition of assets through the Asset Derecognition Form

A11. CONTRACTS REGISTER

The contract register was presented for review in line with a commitment to transparency in procurement.

Decision

To note the Contract Register as attached at Appendix 1 of the report by the Programme Manager.

(Reference – report by the Programme Manager, submitted)

A12. DATE OF NEXT MEETING

5 June 2026