

Midlothian Council Minute Volume



**Presented to the Meeting
of Midlothian Council
on Tuesday, 25 August 2020**

1 Minutes of Meetings submitted for Approval

Midlothian Council 16 June 2020 3 - 10

2 Minutes of Meetings submitted for Consideration

**Approved Minutes for Noting, Information and Consideration of
any recommendations contained therein**

Planning Committee 25 February 2020 11 - 16

Audit Committee 10 March 2020 17 - 24

3 Minutes of Meetings submitted for Information

**Approved Minutes of Outside Organisations to which Council appoints
representatives**

No Minutes submitted for information

Minute of Meeting



Midlothian Council

Date	Time	Venue
16 June 2020	11am	Virtual Meeting via MS Teams

Present:

Provost Smaill (Chair)	Depute Provost Russell
Councillor Milligan – Council Leader	Councillor Muirhead – Depute Council Leader
Councillor Alexander	Councillor Baird
Councillor Cassidy	Councillor Curran
Councillor Hackett	Councillor Hardie
Councillor Johnstone	Councillor Lay-Douglas
Councillor McCall	Councillor Munro
Councillor Parry	Councillor Wallace
Councillor Winchester	

In attendance:

Dr Grace Vickers, Chief Executive	Kevin Anderson, Executive Director Place
Morag Barrow, Joint Director, Health and Social Care	Fiona Robertson, Executive Director Children, Young People & Partnerships
Gary Fairley, Chief Officer Corporate Solutions	Derek Oliver, Chief Officer Place
Mike Broadway, Democratic Services Officer	Verona MacDonald, Democratic Services Team Leader
Alan Turpie, Monitoring Officer	Ian Johnson, Head of Major Projects

Religious Representative (Non-voting observer for Education Business only):

Mrs Elizabeth Morton

1. Welcome and Apology for Absence

The Provost welcomed everyone to the first virtual meeting of Midlothian Council. He advised of the recent death of a former Councillor, Bob Jenkins. He then invited the Depute Provost and Councillor Hackett to speak, both of whom paid tribute to Mr Jenkins.

Thereafter, a minute's silence was observed for former Councillor Jenkins.

Intimation of an apology for absence was made on behalf of Councillor Imrie and Mr V. Bourne, Religious Representative to the Cabinet.

2. Order of Business

The Democratic Services Team Leader confirmed the order of business was as per the agenda circulated.

3. Declarations of interest

None intimated.

4. Deputations

None received.

5. Minutes of Previous Meetings

5.1 The Minute of meeting of Midlothian Council of 11 February 2020 was unanimously approved and the Provost was authorised to sign it as a true record of the meeting.

5.2 The following Minutes were previously circulated to Members for approval, noting, information and consideration of any recommendations contained therein:

Meeting	Date of Meeting
Police and Fire and Rescue Board	18 November 2019
General Purposes Committee	19 November 2019
Business Transformation Steering Group	25 November 2019
Local Review Body	2 December 2019
Performance, Review and Scrutiny Committee	10 December 2019
Planning Committee	14 January 2020
Cabinet	21 January 2020
Business Transformation Steering Group	21 January 2020
Audit Committee	28 January 2020
Business Transformation Steering Group	3 February 2020
Business Transformation Steering Group	10 February 2020
Midlothian Integration Joint Board	5 December 2019
Seminar – Attainment and Achievement	23 January 2020
Seminar – Car Parking	30 January 2020

6. Questions to the Leader of the Council

None received.

7. Notice of Motion

Motion No.	Motion Title	Proposed by:
7.1	Joint Motion	by Group Leaders

The Motion was in the following terms:-

“Midlothian Council is extremely proud and appreciative to all the people in our communities who have worked tirelessly and helped in any and every way during this very worrying time of the Coronavirus Covid-19 pandemic. There is special thanks for many people – far too many to mention in this Motion. Council hopes this spirit of kindness and goodwill to all will continue in our communities”.

Councillors Johnstone, Milligan and Smaill spoke to the terms of the Motion which was thereafter unanimously approved.

8. Reports

Report No.	Report Title	Report by:
8.1	Midlothian Route Map Through and Out of the Crisis	Corporate Management Team
<p>The Council heard from the Chief Executive who spoke to the terms of a report detailing the Route Map Through and Out of the Crisis. She thanked the Council's employees for their hard work. The Executive Directors Place and Children, Young People and Partnerships also spoke to the terms of the report in relation to their directorates.</p>		
Decision		
The Council unanimously agreed to approve the Route Map Through and Out of the Crisis.		
Action		
Corporate Management Team		

Report No.	Report Title	Report by:
8.2	Midlothian Economic Renewal Strategy – Addendum to the Strategy for Growth 2020 - 2025	Chief Officer Place
Outline of report and summary of discussion		
<p>The Council considered a report which, in response to the Covid-19 global pandemic, sought approval of an Addendum to the Strategy for Growth 2020 – 2025. The Addendum was prepared in consultation with key partners and outlined the Council's ambitious approach to transition the local economy towards a new beginning.</p> <p>The Council Leader spoke in favour of the Addendum and highlighted the importance of procuring goods and services locally. The Chief Officer Place confirmed an SME Strategy had been drafted with a view to encouraging this.</p>		

Decision
<p>The Council unanimously:-</p> <p>(a) approved the Economic Renewal Strategy as an Addendum to the Strategy for Growth 2020 – 2025 and;</p> <p>(b) agreed to publish details of the Strategy in infographic format with case study examples.</p>
Action
Chief Officer Place

Report No.	Report Title	Report by:
8.3	Single Midlothian Plan 2020-21	Chief Executive
Outline of report and summary of discussion		
<p>The Council considered the terms of a report detailing the Single Midlothian Plan 2020-21 with outcomes and indicators developed by the Community Planning Partnership Board. The Plan, which was attached to the report, will also function as the strategic plan for the Council under which Service Plans operate. It was further noted that, in light of the Covid-19 pandemic, the Plan will be revised.</p>		
Decision		
<p>The Council noted:-</p> <p>(a) the publication of the Single Midlothian Plan 2020-21 to meet the legal requirements of the Community Empowerment Act and;</p> <p>(b) in light of the Covid-19 pandemic, the intention to revise the Plan by 30 September 2020</p>		
Action		
Chief Executive		

Report No.	Report Title	Report by:
8.4	Service Plans 2020-21	Chief Executive
Outline of report and summary of discussion		
<p>The Council considered the terms of a report regarding the Service Plans for 2020-21.</p>		
Decision		
<p>The Council unanimously approved the 2020-21 Service Plans</p>		
Action		
Chief Executive		

Report No.	Report Title	Report by:
8.5	Standing Order 19.2 Decisions	Chief Executive
Outline of report and summary of discussion		
<p>The report detailed decisions taken by the Chief Executive in accordance with Standing Order 19.2 since the last meeting of the Council.</p>		
Decision		
<p>The Council noted the terms of the report.</p>		
Action		
Chief Executive		

Report No.	Report Title	Report by:
8.6	Resignation of Councillor Baird as a member of the Audit Committee	Executive Director Place
Outline of report and summary of discussion		
<p>The Council noted the terms of the report which advised of Councillor Baird's resignation from the Audit Committee with effect from 12 March 2020.</p> <p>Councillor Johnstone, seconded by Councillor Alexander moved that Councillor Cassidy be appointed to the Audit Committee. No other nominations were received.</p>		
Decision		
The Council appointed Councillor Cassidy as a member of the Audit Committee.		
Action		
Executive Director Place		

Report No.	Report Title	Report by:
8.7	Financial Monitoring 2019-20 – General Fund Revenue	Chief Officer Corporate Solutions
Outline of report and summary of discussion		
<p>The Council heard from the Chief Officer Corporate Solutions who spoke to the terms of a report which provided information on performance against revenue budget in financial year 2019-20, details of material variances and General Fund balance.</p> <p>The Council Leader, Councillor Milligan, highlighted an overspend in repairs and maintenance and in response, Mr Fairley advised he was happy to provide a briefing note on the issues relating to this.</p> <p>Councillor Hardie enquired about the risk to the dividend the Council could expect to receive as a shareholder of Lothian Buses. Mr Fairley advised the Council has a 5.5% shareholding in the company and had in the past enjoyed annual dividends but, in light of the impact on the company of the Covid-19 pandemic Lothian busses had rescinded the payment of Dividends in 2019/20. He further advised the Council Leader had recently written to the Chief Executive seeking a meeting to discuss what support the Council could offer.</p> <p>The Executive Director Place responded to concerns raised by Councillor Johnstone regarding the cost of providing bed and breakfast accommodation for homeless persons and provided an update regarding the Jarnac Court project.</p>		
Decision		
<p>The Council noted the terms of the report and:-</p> <ul style="list-style-type: none"> (a) that work continues to secure further improvement in the underlying financial position of Services, particularly within the Place Directorate where enhanced financial scrutiny arrangements have been implemented and; (b) delivery plans for remaining areas of savings which are behind schedule will continue to be developed and delivered as part of the Medium Term Financial Strategy. 		
Action		
Chief Officer Corporate Solutions		

Report No.	Report Title	Report by:
8.8	Housing Revenue Account – Revenue and Capital Final Outturn 2019-20 and Capital Plan 2020-21 – 2024-25	Chief Officer Corporate Solutions
Outline of report and summary of discussion		
<p>The Council considered the terms of the report which provided a final outturn position for the Housing Revenue Account (HRA), Capital Plan and the Revenue Account and a revised Capital Plan for 2020-21 – 2024-25 reflecting the carry forwards from 2019-20.</p> <p>Councillor Johnstone expressed concern in regard to slippage in capital spend and rent collection. In response the Chief Officer Corporate Solutions confirmed each year the Council did have to write off former tenant arrears and it was still early days in terms of assessing the impact Covid-19 will have on rent collection levels. He further confirmed there had been a reduction in rent payments during April and May when compared to the year before. Councillor Curran advised he had asked for a trend analysis to be undertaken on rent collection and he was happy to share this once the information is available.</p>		
Decision		
The Council noted the terms of the report.		
Action		
Chief Officer Corporate Solutions		

Report No.	Report Title	Report by:
8.9	General Services Capital Plan Final Outturn 2019-20	Chief Officer Corporate Solutions
Outline of report and summary of discussion		
The Council considered the terms of a report which presented the final outturn on the 2019-20 General Services Capital Plan.		
Decision		
The Council noted the General Services Capital outturn position for 2019-20 and endorsed the additions to the General Services Capital Plan as set out in Section 3.1 of the report.		
Action		
Chief Officer Corporate Solutions		

Report No.	Report Title	Report by:
8.10	Financial Update	Chief Officer Corporate Solutions
Outline of report and summary of discussion		
The Council heard from the Chief Officer Corporate Solutions who spoke to the terms of a report which outlined an initial estimate of the financial impact arising from the Covid-19 pandemic for the period to June 2020. He advised the financial and economic consequences are expected to be significant in the short term.		
Decision		
<p>The Council noted:</p> <p>(a) the initial financial assessment completed of the potential revenue and capital consequences of the COVID-19 pandemic and emergency response along with the anticipated disruption to the Council's planned savings in 2020/21 as outlined in sections 4 - 6 of the report.</p>		

- (b) the update provided at section 8 of the funding confirmed by the Scottish Government to support local government's response to COVID-19 and wider financial interventions made by the Scottish Government, some of which are being administered and delivered by local authorities on the Government's behalf;
- (c) that funding confirmed to date along with anticipated shares of as yet undistributed funding for the Council, is significantly less than the estimated net additional costs to the Council. Further, to note that in this current context it is expected that the Council's existing unallocated reserves will require to be deployed as part of the wider financial strategy developed in response to the COVID-19 emergency;
- (d) that the Council is continuing to actively work with COSLA to support consistent financial reporting of the net additional costs to local authorities nationally of responding to the current pandemic to inform ongoing engagement with the Scottish Government over the requirement for further additional funding support and flexibilities to address the divergence from approved budgets;
- (e) the net financial impact of responding to the pandemic will continue to increase and develop more fully over coming months as the Government's route map place demands on Council services for support to local communities and for how services are delivered;
- (f) agreed to the proposed actions outlined in section 9 of the report to prepare the Council for a mid-year reconsideration and revision of the 2020/21 budget and longer term financial strategy and to note that it would be intended that a full report be targeted for autumn in this regard and;
- (g) that further updates on the developing financial position and outlook will be provided to the Council on a regular basis as material developments emerge

Action

Chief Officer Corporate Solutions

Report No.	Report Title	Report by:
8.11	Midlothian Allotment and Food Growing Strategy 2020-2030	Executive Director Place
Outline of report and summary of discussion		
<p>The Council considered the terms of a report which sought agreement to adopt the Midlothian Allotment and Food Growing Strategy 2020-2030.</p> <p>Councillor Alexander spoke in favour of the Strategy and suggested Vogrie could be opened for food growing and work in conjunction with the children who attend the nursery there. Councillors Hackett and Johnstone also spoke in favour of the Strategy with the latter also suggesting the Council's website could include monthly or seasonal updates/tips from Land and Countryside to assist residents.</p>		
Decision		
<p>The Council:-</p> <ul style="list-style-type: none"> (a) approved the Midlothian Allotment and Food Growing Strategy 2020-30; (b) agreed that the Midlothian Allotment and Food Growing Strategy 2020-30 will not have a significant environmental impact triggering the need for a formal Strategic Environmental Assessment and; (c) agreed to instruct the Executive Director Place to undertake the required notification and advertisement advising the Strategy will not have a significant environmental impact triggering the need for a formal Strategic Environmental Assessment 		
Action		
Executive Director Place		

Report No.	Report Title	Report by:
8.12	School Session Dates for Academic Years 2020-2021 and 2021-22	Executive Director Children, Young People and Partnerships
Outline of report and summary of discussion		
The Council considered the terms of a report advising of the need to change the already agreed school session dates for year 2020-21 and the suggested school session dates for year 2021-22.		
Decision		
The Council agreed the:- (a) amended school session dates for year 2020-21 and; (b) proposed school session dates for year 2021-22.		
Action		
Executive Director Children, Young People and Partnerships		

Report No.	Report Title	Report by:
8.13	South East of Scotland Transport Transition Plan	Head of Major Projects
Outline of report and summary of discussion		
The Council considered a report regarding preparations by the Scottish Government for a National Transport Transition Plan arising from the reduction in public transport capacity due to social distance requirements and the consequent adverse impacts on congestion, air quality and increased inequalities and the need to counteract these through a 'green recovery'.		
Decision		
The Council noted:- (a) an operational South East of Scotland Transport Transition Group has been established in response to the letter issued by the Cabinet Secretary for Transport, Infrastructure and Connectivity (attached as Appendix 1 to the report); and (b) that the terms of reference for the Group have been drafted (attached as Appendix 2 to the report)		
Action		
Head of Major Projects		

9 Exclusion of Members of the Public

In view of the nature of the business to be transacted, the Council agreed that the public be excluded from the meeting during discussion of the undernoted items, as contained in the Addendum hereto, as there might be disclosed exempt information as defined in Part I of Schedule 7A to the Local Government (Scotland) Act 1973:-

- 9.1 Critical Childcare and Vulnerable Children Provision
- 9.2 Learning Estate Strategy Update
- 9.3 Standing Order 19.2 Decisions
- 9.4 Destination Hillend – Redevelopment of Midlothian Snowsports Centre
- 9.5 Depot Site Location Review
- 9.6 Industrial Unit Start Ups

The meeting concluded at 3.00 pm.

Minute of Meeting



Planning Committee

Date	Time	Venue
25 February 2020	1.00 pm	Council Chambers, Midlothian House, Buccleuch Street, Dalkeith

Present:

Councillor Imrie (Chair)	Councillor Alexander
Councillor Cassidy	Councillor Curran
Councillor Hackett	Councillor Hardie
Councillor Johnstone	Councillor Lay-Douglas
Councillor McCall	Councillor Milligan
Councillor Muirhead	Councillor Munro
Councillor Parry	Councillor Russell
Councillor Smail	Councillor Winchester

In Attendance:

Joyce Learmonth, Lead Officer, Planning	Neil Wallace, Senior Planning Policy Officer
Alan Turpie, Legal Services Manager	Jim Gilfillan, Consultant Policy & Planning, Policy & Road Safety
Mike Broadway, Democratic Services Officer	

1. Apologies

Apologies for absence were intimated on behalf of Councillors Baird and Wallace.

2. Order of Business

The order of business was as outlined in the agenda.

3. Declarations of interest

No declarations of interest were received

4. Minutes of Previous Meetings

The Minute of Meeting of the Committee which took place on 14 January 2020 was submitted for approval. The Committee unanimously approved the Minute and the Chair was authorised to sign it as a true record of the meeting.

5. Reports

Agenda No	Report Title	Presented by:
5.1	Development Plan Scheme for Midlothian Number 12	Joyce Learmonth
Outline of report and summary of discussion		
<p>There was submitted a report dated 14 February 2020 by the Director, Education, Communities and Economy seeking approval for the Development Plan Scheme for Midlothian No. 12 (DPSM12) which was required to be published annually to satisfy legislative requirements. Each year local planning authorities were required to prepare and submit a Development Plan Scheme (DPS) to Scottish Ministers setting out their intentions with respect to preparing, reviewing and consulting on the development plans for its area over the coming twelve months.</p> <p>Having heard from the Lead Officer, Planning, who responded to Members questions, the Committee discussed the changing Strategic Planning framework and the likely challenges this was likely to give rise to, particularly but not exclusively as a result of legislative changes brought about by the new Planning Act. In debating the position, the Committee felt that it would be useful for Members to have the opportunity to learn more about the Strategic Planning framework and DPSM12, with the possibility of a Seminar/Briefing being considered.</p>		
Decision		
<p>After further discussion, the Committee,:</p> <ul style="list-style-type: none">(a) Approved the Development Plan Scheme for Midlothian No.12 (DPSM12); a copy of which was appended to the report;(b) Agreed to the publication of the DPSM12, copies to be placed in all public libraries and to formally submit a copy to Scottish Ministers; and(c) Agreed that a Seminar be arranged for elected Members on the Strategic Planning framework and DPSM12.		

Action
Director, Education, Communities and Economy/Planning Manager/DSO

Sederunt
Councillors Cassidy, Alexander and Johnstone all joined the meeting during consideration of the foregoing item of business, at approximately 1.04 pm.

Agenda No	Report Title	Presented by:
5.2	Major Applications: Applications Currently Being Assessed and Other Developments at Pre-Application Consultation Stage	Joyce Learmonth
Outline of report and summary of discussion		
<p>There was submitted a report dated 14 February 2020 by the Director, Education, Communities and Economy updating the Committee with regard to 'major' planning applications, formal pre-application consultations by prospective applicants, and the expected programme of applications due for reporting to the Committee.</p> <p>The current position with regard to 'major' planning applications and formal pre-application consultations by prospective applicants was outlined in Appendices A and B attached to this report.</p>		
Decision		
The Committee noted the major planning application proposals which were likely to be considered by the Committee in 2020 and the corresponding updates for each.		
Action		
Planning Manager		

Agenda No	Report Title	Presented by:
5.3	Appeals and Local Review Body Decisions	Joyce Learmonth
Outline of report and summary of discussion		
<p>There was submitted a report dated 14 February 2020 by the Director, Education, Communities and Economy informing the Committee that there were no notices of review determined by the Local Review Body (LRB) in January 2020 and that one appeal decision had been received from Scottish Ministers.</p> <p>Appended to the report was a copy of the following appeal decision notice received from the Scottish Government, Planning and Environmental Appeals Division:-</p> <ul style="list-style-type: none"> Dated 31 January 2020, dismissing an appeal by Hardengreen Estates Ltd against refusal of planning permission in principle for Class 4 (Business) use with ancillary Class 1 (Shops), Class 2 (Financial, professional and other services) and Class 3 (Food and drink) uses; residential development; and associated access, parking, landscaping and drainage infrastructure at Land to the north of Hardengreen House, Dalkeith (19/00099/PPP) and refusing planning permission in principle. 		

Decision
<p>The Committee noted:</p> <ul style="list-style-type: none"> (a) that no notices of review had been determined by the Local Review Body in January 2020; and (b) the outcome of the appeal determined by Scottish Ministers
Action
Planning Manager

Sederunt
Councillor Hackett rejoined the meeting at the start of the undernoted item of business at 1.13 pm.

Agenda No	Report Title	Presented by:
5.8	Section 42 Application 17/00385/S42 to Amend Condition 2(ii) (Landscaping) imposed on a grant of planning permission 14/00334/S42 for the erection of petrol filling station and restaurant/café; formation of associated car parking and vehicular and pedestrian access; and associated works on land north west of Fordel Junction, Dalkeith.	Joyce Learmonth

Outline of report and summary of discussion
<p>A report dated 14 February 2020 was submitted by the Director of Education, Communities and Economy advising that in May 2011 planning permission in principle was granted for the erection of a petrol filling station and restaurant/café; formation of associated car parking and vehicular and pedestrian access; and associated works on land north west of Fordel Junction, Dalkeith. A subsequent Section 42 application (14/00334/S42) was granted in June 2014 maintaining an extant planning permission for the proposed development on the site.</p> <p>The current section 42 application sought to amend the wording of condition 2(ii) of planning permission in principle 14/00334/S42, deleting the phrase “as illustrated on page 22 of the Design Statement submitted with the planning application”. The justification for the proposal being the fact that planning permission has been granted in principle and the design shown in the Design Statement was indicative. The condition was intended to secure a detailed landscaping design which took account of the layout and design that will be secured via other conditions; reference to an indicative design was therefore considered unnecessary.</p>
Decision
<p>The Committee, having heard from the Lead Officer, Planning, agreed to grant the planning permission for the following reasons</p> <p><i>There is a locational need and justification for the proposed development’s countryside location; and, subject to conditions securing landscape mitigation, the proposed development can be satisfactorily integrated into the surrounding landscape. The proposal therefore complies with the policies of the Midlothian Local Development Plan 2017.</i></p> <p>subject to the conditions detailed within the report.</p>

Action
Planning Manager

6. Private Reports

No private business was discussed.

7. Date of Next Meeting

The next meeting will be held on Tuesday 7 April 2020.

The meeting terminated at 1.15 pm

Minute of Meeting



Audit Committee

Date	Time	Venue
Tuesday 10 March 2020	11.00am	Council Chambers, Midlothian House, Dalkeith, EH22 1DN

Present:

Mike Ramsay (Independent Chair)
Councillor Hardie
Councillor Milligan
Councillor Muirhead
Councillor Smail
Councillor Alexander (Substitute)
Councillor Cassidy (Substitute)

In attendance:

Grace Vickers	Chief Executive
Kevin Anderson	Executive Director Place
Joan Tranent	Chief Officer, Children's Services, Partnerships and Communities
Alison White	Head of Adult Health and Social Care
Gary Fairley	Chief Officer Corporate Solutions
Alan Turpie	Legal Services Manager/Monitoring Officer
Grace Scanlin	External Auditor, EY
Jill Stacey	Chief Internal Auditor
Chris Lawson	Waste, Risk and Resilience Manager
Janet R Ritchie	Democratic Services Officer

1. Welcome and Apologies

The Chair, Mike Ramsay welcomed everyone to the meeting, following which there was a round of introductions.

Apologies were received from Councillor Baird, Councillor Parry and the Independent Member, Mr Peter de Vink.

2. Order of Business

The order of business was confirmed as that outlined in the Agenda.

3. Declarations of interest

No declarations of interest were received.

4. Minutes of Previous Meetings

4.1 The minute of the meeting of 28 January 2020 was submitted and approved as a correct record having been proposed by Councillor Smaill, seconded by Councillor Murihead.

4.2 The Action log was submitted and the following agreed:

- 1) 'Internal Audit Recommendations' - Two follow-up reports per year to Audit Committee as per approved Internal Audit Annual Plan – Noted.
- 2) 'Treasury Management and Investment Strategy 2020/21 & Prudential Indicators – Strategy was approved by full Council on 11 February 2020 - Closed.

5. Public Reports

Report No.	Report Title	Presented by:
5.1	Midlothian Council Annual Audit Plan - Report by External Auditors	Stephen Reid and Grace Scanlin, External Auditors, EY
Outline of report and summary of discussion		
<p>The External Auditors submitted their Annual Audit Plan 2019/20. Stephen Reid External Auditor advised the Committee that prior to presenting this report they would provide a short slide presentation on 'Audit market reform and revised auditing standards and guidance' to inform the Committee of the audit reform which was currently taking place now and likely to take place over the next 5 years.</p> <p>He further advised that over the last 2 years there has been a number of significant corporate failures and as a result of that a number of reviews had been launched into the role of Audit, the role of Directors in companies and also into the responsibilities of Audit Committees and other governance Committees within corporate environments.</p>		

Mr Reid presented the following slides which are appended to this minute:

- Next steps regarding the key regulatory and independent reviews – January 2020.
- Potential outcomes of regulatory reviews – January 2020
- CMA four key recommendations: potential implications
- Brydon recommendations
- Board considerations

Mr Reid then presented the External Annual Audit Plan advising the Committee that this Annual Audit Plan prepared for the benefit of Council management and the Audit Committee, sets out their proposed audit approach for the audit of the financial year ending 31 March 2020, the fourth year of their appointment. In preparing this plan, they had updated their understanding of the Council through planning discussions with management, review of relevant documentation and committee reports, and their general understanding of the environment in which the Council is currently operating. He went on to explain that their responsibilities fell into two main areas, one in respect of the financial statements and the other in respect of their responsibility around the wider-scope public sector audit dimensions and highlighted some key sections from the Report.

Thereafter the External Auditors responded to questions and comments raised by members of the Committee.

Decision

The Audit Committee noted the content of the report.

Report No.	Report Title	Presented by:
5.2	Audit Scotland City Region Deal and Growth Deals	Ian Johnson, Head of Major Projects
Outline of report and summary of discussion		
<p>Mr Johnson provided the committee with a brief update on City Deal advising that the Edinburgh and South East Scotland City Region Deal is one of a number of City Region and Growth deals in Scotland and across the UK. The aim of these was to grow the economy of the region in an inclusive way so that all parts of the region benefits. The City Region Deal for this region was signed in August 2018 and will be a 15 year programme. He provided further information on the Council partners and regional partners, details of the total expenditure to the programme, the number of key elements and the Governance structure.</p> <p>Mr Johnson highlighted that the Audit Scotland report provides an early assessment of City Region and Growth Deals in Scotland, rather than the performance of individual Deals. He advised that the Audit Scotland report went to the Joint Committee on 6 March 2020 and that the recommendations were approved.</p>		

Mr Johnson also updated the Committee on the Audit Scotland recommendations and the comments which were relevant to Midlothian.

Thereafter he responded to questions and comments from the Members of the Committee.

Decision

The Audit Committee noted the contents of the Report.

Report No.	Report Title	Presented by:
5.3	Risk Management Update 1 October 2019 – 31 December 2019.	Chris Lawson, Waste, Risk and Resilience Manager
Outline of presentation and summary of discussion		
<p>The Risk Manager presented a report dated 25 February 2020 providing the Audit Committee with the 2019/20 Quarter 3 Strategic Risk Management update, covering the period 1 October 2019 to 31 December 2019. The Strategic Risk Profile sought to provide a strategic look at the current issues and future risks and opportunities facing the Council.</p> <p>The Risk Manager highlighted the main sections contained within the report and responded to questions raised by members of the committee which included:</p> <ul style="list-style-type: none">• The motion raised at Council regarding Climate emergency.• Financial sustainability for future years being a medium risk and how the scoring of risks interpretation differs from the External Auditor's report. <p>Mr Lawson provided feedback on both issues explaining that work is already underway for quarter 4 regarding Climate change and that with regards to the motion that went to council more work will take place to reflect this.</p> <p>With regards to the Financial sustainability he advised that this was a risk that had sat higher in the risk register but in the last year there had been significant efforts undertaken to manage the Council's longer term financial position and significant work underway in terms of the Medium Term Financial Strategy. He further advised that this will continue to be monitored and as the work of the Medium Term Financial Strategy develops the position will continue to be reflected on the risk register.</p>		
Decision		
Audit Committee noted the quarter 3 2019/20 Strategic Risk Profile report and considered the current response to the issues, risks and opportunities highlighted.		

Report No.	Report Title	Presented by:
5.4	Internal Audit Work to February 2020	Jill Stacey, Chief Internal Auditor
Outline of presentation and summary of discussion		
<p>The purpose of this report was to provide members of the Audit Committee with details of the recent work carried out by Internal Audit and the findings and recommended audit actions agreed by Management to improve internal controls and governance arrangements.</p> <p>Internal Audit issued final assurance reports on the following subjects:</p> <ul style="list-style-type: none"> • Procurement and Management of Contracts • Change and Transformation Programme • Business Planning, Budget Setting and Monitoring <p>An Executive Summary of the final Internal Audit assurance report issued, including audit objective, findings, good practice and recommendations (where appropriate), and the Chief Internal Auditor's independent and objective opinion on the adequacy of the control environment and governance arrangements within each audit area, is shown in Appendix 1.</p> <p>The Chief Internal Auditor presented the report highlighting the main sections contained within the report and provided the Committee with a brief update of each individual audit report during which the members of the committee raised questions and comments relating to each of these.</p> <p>Several Members had raised concerns regarding the value of the 22 expired contracts and the responsibility of management to ensure these contracts are retendered. After a lengthy discussion regarding Procurement and Contract management it was agreed that a detailed report would be prepared regarding these 22 expired contracts. It was also highlighted that Officers were continuing to look at different approaches to improve services and opportunities to work jointly with other local authorities and that discussions were taking place with Scottish Borders in particular with regards to Procurement and Contract management.</p> <p>In responding to questions regarding the savings which had not been achieved, Officers highlighted that after a large piece of work with the finance team, savings which were not realistic were identified and robust recovery plans were put in place. In addition to this, a Budget Monitoring Board was set up which included Chief Officers and Accountants and that they worked closely together to ensure the projects could deliver the agreed savings. Officers also gave further assurances that the 2020/21 Budget set on 11 February 2020 was more robust than in previous years and the expectation is that services will deliver within budget. Further clarity was provided on the slippage in previous years which impacted on the transformation savings and that the Medium Term Financial Strategy related to the 2020/21 budget onwards. Officers also stressed that the assurance reports were completed in November 2019 and that considerable improvements had been put in place since then.</p>		

Decision
<p>The Audit Committee;</p> <ul style="list-style-type: none"> a) Noted the final assurance reports issued in the period from 1 January to 20 February 2020 associated with the delivery of the approved Internal Audit Annual Plan 2019/20; and b) Acknowledged the assurance provided on internal controls and governance arrangements in place for the areas covered by this Internal Audit work. c) Noted that a detailed report would be provided to Members on the 22 expired contracts.
Action
Legal Services Manager

Report No.	Report Title	Presented by:
5.5	Internal Audit Charter	Jill Stacey, Chief Internal Auditor
Outline of presentation and summary of discussion		
<p>There was a report submitted dated 12 February 2020 which provided the Audit Committee with the updated Internal Audit Charter for approval that defines the terms of reference for the Internal Audit function to carry out its role to enable the Chief Internal Auditor to prepare annual opinions on the adequacy of the overall control environment for Midlothian Council, and for Midlothian Health and Social Care Integration Joint Board.</p> <p>The Chief Internal Auditor presented this report highlighting the main sections contained within the report and advised that Appendix 1 details the Internal Audit Charter and provided a brief overview of this.</p>		
Decision		
<p>The Audit Committee:</p> <ul style="list-style-type: none"> • Noted the changes outlined in this report. • Approved the revised Internal Audit Charter shown at Appendix 1. • Noted that the Internal Audit Charter will be reviewed annually. 		

Report No.	Report Title	Presented by:
5.6	Internal Audit Strategy and Annual Plan 2020/21	Jill Stacey, Chief Internal Auditor
Outline of presentation and summary of discussion		
<p>There was a report submitted dated 13 February 2020 the purpose of which was to gain approval to the proposed Internal Audit Strategy and Annual Plan 2020/21 to enable the Chief Internal Auditor to prepare annual opinions on the adequacy of the overall control environment for Midlothian Council and Midlothian Health and Social Care Integration Joint Board.</p>		

The Chief Internal Auditor presented this report highlighting the main sections contained within the report and advised that Appendix 1 details the Internal Audit Strategy and Appendix 2 details Midlothian Council Internal Audit Annual Plan 2020/21.

Thereafter the Chief Internal Auditor responded to questions and comments raised by the Committee.

Decision

The Audit Committee approved the Internal Audit Strategy (Appendix 1) and the Annual Plan 2020/21 (Appendix 2).

6. Private Reports

No private reports were submitted.

7. Date of Next Meeting

The next meeting will be held on Tuesday 22 June 2020 at 11 am

The meeting terminated at 12.50 pm

