

# Transport and Environment Committee

10.00am, Thursday, 22 April 2021

## Transport Arms Length Organisations - Board and Auditor Appointments

Executive/routine Wards Council Commitments	Routine All
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### 1. Recommendations

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- 1.1 Transport and Environment Committee is asked to:
  - 1.1.1 Note that the appointment of Directors to the Council's Transport Arms Length organisations (ALEOs) and the appointment of auditors at Lothian Buses Limited are Reserved Matters, which require the written consent of the Council;
  - 1.1.2 Approve the appointment of Andrew Neal as a Non-Executive Director (NED) to the Board of Transport for Edinburgh (TfE) with immediate effect;
  - 1.1.3 Approve the appointment of Azets Audit Services Limited as Auditor for Lothian Buses for a further year; and
  - 1.1.4 Agree to extend the appointment of existing Board Members for the ALEOs until the arrangements for ALEO reform are implemented.

**Paul Lawrence**

Executive Director of Place

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# Report

## Transport Arms Length Organisations - Board and Auditor Appointments

### 2. Executive Summary

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- 2.1 This report requests Committee approval for the appointment of Andrew Neal to the Board of Transport for Edinburgh (TfE) as a Non-Executive Director (NED) with immediate effect and to extend the appointments of existing NEDs on the Boards of both Lothian Buses Limited and Edinburgh Trams Limited until the arrangements for reform of the Transport Arms Length Organisations (ALEOs) are implemented.
- 2.2 The report also seeks approval for the appointment of Azets Audit Services Limited as Auditor for Lothian Buses for a further year.

### 3. Background

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- 3.1 The appointment of Directors to the Council's Transport Arms Length Organisations (ALEOs) and the appointment of auditors at Lothian Buses are Reserved Matters, which require the written consent of the Council.

#### **Transport for Edinburgh**

- 3.2 TfE was established in October 2013. It is an ALEO which is wholly owned by the Council. This arrangement is governed by a Shareholder Agreement between the Council and TfE.
- 3.3 The most up to date Shareholder Agreement, including changes to the Board composition, was approved by Council on [2 May 2019](#).
- 3.4 The Board of TfE can have a maximum of 11 serving members. At present, there are four Non-Executive Directors (NEDs) – Councillors, four NEDs – Other and one Executive Director.
- 3.5 On [11 June 2020](#) the Council's Policy and Sustainability Committee approved the extension of Board appointments for a number of NEDs for the Boards of both Lothian Buses and Edinburgh Trams for a period of one year.
- 3.6 The Policy and Sustainability Committee in June 2020 also approved the appointment of Scott Moncrieff (now Azets Audit Services Limited) as auditors for Lothian Buses for a period of one year.

## **4. Main report**

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- 4.1 On 5 March 2021 the Board of TfE agreed that it was important that a representative from the Board of Edinburgh Trams Limited be invited to join the Board as a NED.
- 4.2 Andrew Neal was appointed to the Board of Edinburgh Trams on 1 July 2018 and has been nominated to serve as a NED on the Board of TfE with immediate effect.
- 4.3 The Board of Lothian Buses Limited recently considered the appointment of auditors for the forthcoming year and have recommended that Azets Audit Services Limited be appointed for a further year.
- 4.4 A number of Board appointments for both Lothian Buses Limited and Edinburgh Trams Limited were approved by Policy and Sustainability Committee for a period of one year. Both Boards wish these appointments to be extended to provide continuity until the implementation of changes which are expected to arise from the current development of proposals for ALEO reform.

## **5. Next Steps**

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- 5.1 Subject to the approval of Council, the Council will confirm in writing to TfE, Lothian Buses Limited and Edinburgh Trams Limited its decision in terms of this report as soon as reasonably practicable.

## **6. Financial impact**

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- 6.1 There are no financial impacts arising from this report.

## **7. Stakeholder/Community Impact**

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- 7.1 There are no stakeholder or community impacts arising from this report.

## **8. Background reading/external references**

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- 8.1 None.

## **9. Appendices**

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- 9.1 None.