



Committee and Date

West Mercia Energy Joint
Committee

29th November 2021

WEST MERCIA ENERGY JOINT COMMITTEE

Minutes of the meeting held on 28 September 2021

In the Shrewsbury/Oswestry Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND

Responsible Officer: Emily Marshall

Email: emily.marshall@shropshire.gov.uk Tel: 01743 257717

Present

Councillors Kent, Davies, Harvey, Ed Potter and Gwilym Butler

Councillor Rae Evans was present by video link (in a non voting capacity)

88 Apologies for Absence

The Treasurer reported that the Chairman was present by video link (in a non voting capacity) and was therefore unable to chair the meeting and the Vice-Chairman has sent their apologies. Councillor G. Butler was therefore elected Chairman for the duration of the meeting.

Apologies for absence were received from Councillors Adrian Hardman, Lee Carter and Councillor Rae Evans joined the meeting remotely.

89 Minutes

RESOLVED:

That the minutes of the meeting held on 2nd March 2021 be approved as a correct record.

90 Public Questions

None received.

91 Disclosable Pecuniary Interests

None

92 Supplier Contracts

The Treasurer reported that the Director of WME was unable to attend the meeting and it was therefore agreed to defer this update until a future meeting when the Director was present.

93 Statement of Accounts 2020/21 and Annual Governance Statement 2020/21

Mr J. Walton, Treasurer (WME) presented the Letter of Representation, the Statement of Accounts 2020/21 and the Annual Governance Statement 2020/21 for the West Mercia Energy Joint Committee (copy attached to the signed minutes).

- a) That the Letter of Representation to be signed by the Chairman and submitted by the Treasurer be noted.
- b) That the finalised Statement of Accounts 2020/21 to be signed by the Chairman and the Treasurer be noted.
- c) That the Annual Governance Statement 2020/21 be noted.

94 External Audit - Audit Findings Report 2020/21

The Chairman welcomed External Auditors, John Fletcher (Partner) and Alex Riley (Audit Manager) from W R Partners to the meeting.

The external auditors thanked Nigel Evans (Director WME) the Team at West Mercia Energy for allowing them to carry out the audit free from restrictions. It was reported that the only area of outstanding work, detailed on page 2 of the report was subsequent events work and how that linked into going concern. A scheduled management meeting had been unable to take place due to illness and so it was anticipated that an audit report approval date of 28th September, might be pushed back a couple of days, but it was not a concern.

In response to a question, John Fletcher outlined how materiality was calculated, explaining that income was used as a benchmark and that materiality for the WME accounts had been capped at £700,000.

The Committee considered and endorsed the findings that were before them noting that further conversations and work were needed meaning the report was incomplete. It was agreed to discuss the reserve in more detail when the full management team were present.

RESOLVED:

That the contents of the audit findings report presented by WR Partners be considered and endorsed, to date, noting that they are incomplete.

95 Internal Audit Annual Report 2020/21

Ceri Pilawski, Head of Internal Audit presented the report.

The Committee agreed that the team at West Mercia Energy had worked extremely well under very challenging conditions and should be congratulated on the positive outcome of the audit and they were pleased to note that the opinions given were favourable. The Committee requested that a vote of thanks to the Internal and External Audit Teams be recorded in the Minutes.

RESOLVED:

1. That performance against the Audit Plan for the year ended 31 March 2021 be considered and endorsed.
2. That the system of governance, risk management and internal control is operating effectively and can be relied upon when considering the Annual Governance Statement for 2020/21 be considered and endorsed.
3. The Head of Audit's reasonable year end opinion on West Mercia Energy's governance, risk management and internal control environment for 2020/21 based on the work undertaken and management responses received be endorsed.

96 Distribution Of Surplus

The Treasurer presented the report which recommended that the distribution of surplus to the Member Authorities be deferred due to exceptional circumstances. (copy attached to the signed minutes).

The Treasurer provided context to the report and confirmed that there was no additional risk to the owning authorities from deferring this payment. Members were supportive of the proposals to defer the payments, given the uncertainty within the market. The Committee felt that although they were happy to defer the distribution of surplus to the next meeting, conversations with representatives of the business were needed sooner than February 2022.

RESOLVED:

That the Joint Committee approve the deferral of the distribution of surplus until the next Joint Committee.

Councillor Kent abstained from voting.

97 Risk Management Update

In the absence of the Director of West Mercia Energy, the Committee agreed to defer consideration of the Risk Management Update.

It was suggested that in future the Risk Management Update should feature before the Distribution of Surplus agenda item.

RESOLVED:

That consideration of this item be deferred to a future meeting.

98 Exclusion Of Press And Public

RESOLVED:

That under Section 100(A)(A4) of the Local Government Act 1972, the public be excluded during the consideration of the following items of business on the grounds that they might involve the likely disclosure of exempt information as defined in Schedule 12(A) of the Act.

99 Exempt Minutes

RESOLVED:

That the Exempt Minutes of the meeting held on 2nd March 2021 be approved as a correct record.

100 Update On Business Plan And Trading Performance To Date 2021/22

In the absence of the Director, Gavin Owen, WME presented an exempt report, providing an update on the Business Plan and Trading Performance to date 2021/22.

RESOLVED:

That recommendations B-F contained within the exempt report be approved.

101 Green Energy Update

RESOLVED:

That consideration of the report be deferred until a future meeting.

102 Energy Governance, Accountability, Risk and Reporting Policy

RESOLVED:

That consideration of the report be deferred until a future meeting.

103 Date of Next Meeting

It was noted that the next scheduled meeting would take place on Tuesday, 1st March 2022.

Signed (Chairman)

Date: