

**Committee and Date**

West Mercia Energy Joint
Committee

14 March 2024

WEST MERCIA ENERGY JOINT COMMITTEE

Minutes of the meeting held on 20 September 2024

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

10.30 am - 12.02 pm

Responsible Officer: Shelley Davies

Email: shelley.davies@shropshire.gov.uk Tel: 01743 257718

Present

Councillor Gwilym Butler (Chairman)

Councillors Zona Hannington, Vickers, Adam Kent, Ross and Stoddart

81 Apologies for Absence

None received.

82 Minutes**RESOLVED:**

That the Minutes of the West Mercia Energy Joint Committee held on 22nd March 2024 be approved as a correct record.

83 Public Questions

No public questions had been received.

84 Disclosable Pecuniary Interests

None declared.

85 Supplier Contracts

The Director confirmed that there were no entries to report.

86 Statement of Accounts 2023/24 and Annual Governance Statement 2023/24

James Walton, Treasurer (WME) presented the Statement of Accounts 2023/24 and the Annual Governance Statement 2023/24 and provided an overview of the financial performance of West Mercia Energy, highlighting significant profitability, an increased turnover and a strong balance sheet.

RESOLVED:

1. That the finalised Statement of Accounts 2023/24 to be signed by the Chairman and the Treasurer.
2. That the Annual Governance Statement 2023/24 be noted.

87 External Audit - Audit findings report 2023/24

Jo Pugh, Head of Finance and Billing, WME introduced the report which set out the External Audit Findings for 2023/24.

Alex Riley, External Auditor, W R Partners highlighted the key areas of the Audit Findings Memorandum confirming a clean audit opinion and stated that there had been no issues arising from the audit process.

RESOLVED:

That the contents of the audit findings report presented by WR Partners be considered and endorsed.

88 Internal Audit Annual Report 2023/24

Barry Hanson, Head of Policy and Governance, Internal Audit presented the report which provided a summary of Internal Audit's work for 2023/24. He reported that four good assurance opinions had been given in respect of the finance, debtors, procurement, corporate governance and risk management systems and a reasonable assurance opinion was provided in respect of the IT Strategy. It was added that a total of six recommendations had been made over the five audit areas reviewed in the year with one significant issue highlighted relating to the IT Strategy.

In response to a query from a member regarding the debtors system it was stated that this would be followed up as part of the 2024/25 audit programme.

RESOLVED:

1. That the performance against the Audit Plan for the year ended 31 March 2024 be endorsed.
2. That it be noted that the system of governance, risk management and internal control operating effectively and can be relied upon when considering the Annual Governance Statement for 2023/24.
3. That the Chief Audit Executive's substantial year end opinion on West Mercia Energy's governance, risk management and internal control environment for

2023/24 based on the work undertaken and management responses received be endorsed.

89 Distribution of surplus

The Treasurer presented the report which recommended the level of distribution of surplus held on 31 March 2024 to the Member Authorities.

RESOLVED:

1. That the retention of accumulated surplus of £1.805 million be approved.
2. That the distribution of accumulated surplus of £2.438 million, in accordance with the provisions of the Joint Agreement be approved.

90 Risk management update

Nigel Evans, Director WME, presented the report which provided an update on risk management noting that the risk register was reviewed formally twice a year. It was reported that following the current review two risks previously considered as medium had been downgraded to low and the following four risks had been categorized as medium:

- The volatility in the energy markets leading to uncompetitive prices.
- Breaching of the Capital of Risk from trading activity.
- Risk relating to Central Government policy or regulation.
- Dealing with suppliers that have ownership or investment in Russia or Belarus.

In response to questions from members Nigel Evans explained that WME's trading strategy had been developed over a number of years following initial work with consultants and he was aware of financial concerns in the education sector.

RESOLVED:

That the medium risks presented be endorsed.

91 Standing orders

Nigel Evans, Director WME, presented the report which set out the changes required to the Standing Orders in light of the new Procurement Act 2023 which was due to come into effect in February 2025.

RESOLVED:

That the updated WME Standing Orders be approved.

92 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.

93 Exempt Minutes

RESOLVED:

That the exempt minutes of the meeting held on 22nd March 2024 be approved.

94 Update on Business Plan and Trading Performance to Date 2024/25

Nigel Evans, Director, WME presented an exempt report, providing an update on the Business Plan and Trading Performance to date 2024/25.

RESOLVED:

That the recommendations contained within the exempt report be approved.

95 Use Cleaner Use Less update

Nigel Evans, Director, WME presented an exempt report, providing an update on the progress of WME in developing suitable support products and services for customers as they look to achieve their net zero targets.

RESOLVED:

That the recommendations contained within the exempt report be approved.

96 Date of Next Meeting

The next meeting would take place in March 2025. Date to be confirmed.

Signed (Chairman)

Date: