

GOVERNANCE UPDATE

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1. Summary

- 1.1 This report is to provide an update to the Joint Committee regarding the governance arrangements of WME. The current Joint Agreement is in place until 31st March 2020 following Cabinet approval from each of the Member Authorities and a number of specific WME governance documents are in place.

2. Recommendations

- 2.1 The Joint Committee are asked to:
- A. note the work conducted to date and the requirement for the existing governance documents to be updated.
 - B. authorise the Director to undertake further work, in conjunction with the Monitoring Officers of the Member Authorities, to review and revise the existing governance documents where required in order to bring any revised documents to the September 2016 Joint Committee for approval.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.
- 3.2 There are no direct environmental, equalities or climate change consequences arising from this report.

3.3 As a result of some areas of governance requiring improvement, there has been an impact on some day to day issues such as the timely sign of sales contracts and this governance review seeks to mitigate such issues.

4. Financial Implications

4.1 There are no direct financial implications arising from this report.

5. Background

5.1 In recent years a number of changes have occurred in the Joint Committee, through a restructure of the business as a result of the sale of the supplies side of the business in 2012, resulting change in management and changes in the Authorities providing support to the Joint Committee itself. Whilst some essential amendments to the Joint Agreement have been made to deal with these changes, a fundamental review of the governance arrangements has not been undertaken during this period of change and existing, historic practices have continued into the new business undertaken by the Joint Committee and it appears that, historically, some documents and policies have been developed in isolation of other governance documents.

5.2 The Annual Business Plan and Budget for 2015/16 indicated the requirement for the Joint Agreement to be extended to 31st March 2020 and following Cabinet approval at each of the Member Authorities the extension to the Joint Agreement was secured in July 2015.

5.3 The current WME Financial Regulations, Standing Orders and Scheme of Delegation were approved by the Joint Committee in June 2013 and the current Energy Governance, Accountability, Risk and Reporting Policy was approved by the Joint Committee in September 2014.

5.4 A number of improvements have been made over the past year which include:

- Forward Plans being produced and published for the Joint Committee decisions.
- The Shropshire Council website includes all necessary details of the Joint Committee such as membership, Forward Plans and decisions.
- The other 3 Member Authorities and WME have a link from their website to the relevant page on the Shropshire Council website.
- Liaison with s151 and Monitoring Officers prior of the Member Authorities to papers being issued to the Joint Committee.

5.5 In addition to the improvements made to date, it is recommended to review the following areas and update documentation as required:

- Joint Agreement – an update to provide a more detailed constitution for the Joint Committee. It should be noted that any amendments to the Joint Agreement will need to be approved by the Executives of each of the Member Authorities;
- WME’s Energy Governance, Accountability, Risk and Reporting Policy.
- WME’s Standing Orders including governance procedures and the Scheme of Delegation from the Joint Committee to the Director and onward delegations to Officers and the Financial Regulations.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Joint Committee 24 June 2013 – Financial Regulations, Standing Orders and Scheme of Delegation

Joint Committee 22 September 2014 - Energy Governance, Accountability, Risk and Reporting Policy

Joint Committee 16 February 2015 – Annual Business Plan and Budget 2015/16

Member

Councillor P Price of Herefordshire Council (vice-chair of the Joint Committee)

Appendices

None