



### Committee and Date

West Mercia Energy Joint  
Committee

26<sup>th</sup> February 2019

## **WEST MERCIA ENERGY JOINT COMMITTEE**

**Minutes of the meeting held on 24 September 2018**

**In the Ludlow Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND  
10.00 - 11.52 am**

**Responsible Officer:** Emily Marshall

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### **Present**

Councillors R. Evans, Price, Nic Laurens (Vice Chairman) and Robert Macey

### **19 Apologies for Absence**

Apologies for absence were received from Councillors Carter (Telford and Wrekin) (Substitute: Councillor R Evans), A Hardman (Worcestershire), D Harlow (Herefordshire) and J Smith (Worcestershire).

### **20 Minutes**

That the Minutes of the West Mercia Energy Joint Committee held on 26<sup>th</sup> February 2018 be approved as a correct record and signed by the Chairman.

### **21 Public Questions**

There were no public questions or petitions received.

### **22 Disclosable Pecuniary Interests**

Members were reminded that they must not participate in the discussion or voting on any matter in which they had a Disclosable Pecuniary Interest and should leave the room prior to the commencement of the debate.

### **23 Supplier Contracts**

The Director reported that there were no entries to report.

#### **RESOLVED:**

That the update on supplier contracts by the Director of West Mercia Energy be noted.

### **24 Statement of Accounts 2017/2018 and Annual Governance Statement 2017/2018**

Mr J. Walton, Treasurer (WME) presented the Letter of Representation, the Statement of Accounts 2017/18 and the Annual Governance Statement 2017/18 for the West Mercia Energy Joint Committee (copy attached to the signed minutes).

**RESOLVED:**

1. That the Letter of Representation be noted and signed by the Chairman and submitted by the Treasurer.
2. That the finalised Statement of Accounts 2017/18 be approved and signed by the Chairman and the Treasurer.
3. That the Annual Governance Statement 2017/18 be approved.

**25 External Audit - Audit Findings Report 2017/2018**

Mr R. Percival (External Auditor – Grant Thornton) presented the West Mercia Energy Joint Committee Audit Findings Report 2017/18 (copy attached to the signed minutes).

Mr Percival drew Members attention to page 71, Control Recommendations and explained that Journals Control was a long-standing issue and not a concern. With regards to Going Concern, Mr Percival explained that this was implicit as WME was underwritten by member bodies.

Members commented that they were pleased to receive such a positive report and congratulated the Director and his Team for their work.

**RESOLVED:**

That the West Mercia Energy Joint Committee Audit Findings Report 2017/18 be noted.

**26 Internal Audit Annual Report 2017/18**

P. Chadderton, Principal Auditor introduced Internal Audit Annual report 2016/17 (copy attached to the signed minutes).

**RESOLVED:**

1. That performance against the Audit Plan for the year ended 31 March 2018 be endorsed.
2. To note 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 2017/18.
3. That the Head of Audit's positive year end opinion on West Mercia Energy's governance, risk management and internal control environment for 2017/18

on the basis of the work undertaken and management responses received be noted.

## 27 **Distribution of Surplus**

The Treasurer presented the report which recommended the level of distribution of surplus held at 31 March 2018 to the Member Authorities (copy attached to the signed minutes).

In response to a question, the Treasurer explained how the level of distribution of surplus was calculated.

### **RESOLVED:**

1. That the retention of accumulated surplus of £0.630 million be approved.
2. That the distribution of accumulated surplus of £0.843 million, in accordance with the provisions of the Joint Agreement, be approved.

## 28 **Treatment of Pension Liability for WME and Former WMS**

Mr James Walton, Treasurer provided an update on the pension liability for West Mercia Energy and former West Mercia Supplies.

Mr Walton provided the Committee with an update on the background to the pensions liability and the potential risk implications for the business, The Director explained that the risk related to completing tender exercises, although there was a sound explanation for the pensions liability it could cause loss of business if the tender form only had a yes/no option.

The Treasurer went on to explain that the issue had been discussed with the actuary and several options had been put forward, all options came with wider implications.

Option one was explained. This option would involve setting up a “shell organisation” with a separate set of accounts exclusively for the pension liability. The disadvantage of this option was that it would increase administrative work.

Option two was the preferred option. This option would mean that the pension liability would be shared between the four owning authorities, split four ways, shared out equally based on their profiles, for each authority to manage. This option would need Secretary of State approval.

The pros and cons of each option were discussed as well as the upfront and ongoing costs associated with each option.

The Treasurer reported that he would bring a more detailed report to the next meeting of the Joint Committee.

### **RESOLVED:**

That the update on the pension liability for WME and Former WMS be noted.

**29 West Mercia Energy Data Protection Policy**

N. Evans, Director WME presented the report which recommended approval of the WME Data Protection Policy (copy attached to the signed minutes) which had been reviewed and updated in light of the General Data Protection Regulation (GDPR).

The Director confirmed that all WME staff had received appropriate training.

**RESOLVED:**

That the WME Data Protection Policy be approved.

**30 West Mercia Energy Health and Safety Policy**

N. Evans, Director WME presented the updated WME Health and Safety Policy (copy attached to the signed minutes) for approval.

The Director reported an additional amendment, Health Surveillance was not appropriate for WME and so would be deleted from the Policy.

**RESOLVED:**

That the WME Health and Safety Policy be approved.

**31 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.

**32 Exempt Minutes**

**RESOLVED:**

That the Exempt Minutes of the meeting held on 26<sup>th</sup> February 2018 be approved as a correct record.

**33 Update on Business Plan and Trading Performance to Date 2018/2019**

The Director presented an exempt report (copy attached to the signed exempt minutes), which presented an update on the West Mercia Energy Annual Business Plan and Budget 2018/19.

**RESOLVED:**

That the recommendation contained within the exempt report be approved.

**34 Minutes of the Flexible Energy Advisory Panel**

The Director presented an exempt report (copy attached to the signed exempt minutes), which presented the minutes of the Flexible Energy Management/Advisory Panel meetings that had been held since the last meeting of the Joint Committee.

**RESOLVED:**

That the recommendation contained within the exempt report be approved.

**35 Risk Management Update**

The Director presented an exempt report (copy attached to the signed exempt minutes), which provided an update on risk management.

**RESOLVED:**

That the recommendation contained within the exempt report be approved.

**36 Date of Next Meeting**

It was noted that the Committee Officer would circulate the dates of meetings for 2019 in due course.

Signed ..... (Chairman)

Date: .....