

OVERVIEW AND SCRUTINY PERFORMANCE BOARD 30 SEPTEMBER 2021

UPDATE ON THE PROGRESS MADE AGAINST THE RECOMMENDATIONS FROM THE COUNCIL'S ENERGY PURCHASING ARRANGEMENTS SCRUTINY REPORT

Summary

1. The Cabinet Member with Responsibility for Corporate Services and Communication and the Strategic Director for Commercial and Change have been invited to update the Board on the progress made against the recommendations from the Council's Energy Purchasing Scrutiny Report (Scrutiny Report).

Background

2. At its meeting on 4 February 2021, the Cabinet considered the Scrutiny Report (attached at Appendix A) and resolved that the response of the Cabinet Member with Responsibility (attached at Appendix B) be adopted as the way forward.
3. Detailed below is a summary of the actions agreed and current status of each.

Recommendation 1: *The Cabinet Member with Responsibility, the Strategic Director of Commercial and Change, the representatives on the WME Joint Committee and the S151 Officer should be invited to Scrutiny on an annual basis to provide an update on WME including the Business Plan and the activities relating to the Council. The Council's Overview and Scrutiny Performance Board should determine the most appropriate body to carry this Scrutiny out and accordingly, should be added to the appropriate Scrutiny work programme.*

Update

An invitation has been extended for the CMR, Director of Commercial and Change, and the Section 151 Officer to attend to provide an update and a date is to be agreed. The CMR has changed since the original report (now Councillor Adam Kent) and has been appointed to the WME Joint Committee.

Recommendation 2: *The Joint Committee Agreement stipulates that decisions of the Joint Committee will be subject to Scrutiny by the constituent authorities and its decisions can also be called-in within each constituent authority, using their own respective mechanism. In practical terms, for this to happen within the timescale set i.e. any call-in must be exercised by 5pm on the 5th working day **after the decision is published**, it is recommended that the Members of OSPB are sent the agendas and minutes of all WME Joint Committee meetings.*

Update

Councillor Adam Kent has recently been appointed to the WME Joint Committee and will circulate agenda and minutes to OSPB members going forward.

Recommendation 3: *Acknowledging that WME is subject to the auditing arrangements in place by the host authority (Shropshire Council), the Task Group nevertheless recommends that, due to the potential financial risks involved, the Council's Internal Audit Department should ensure that it has oversight of WME Joint Committee and Business Plan.*

Update

Worcestershire County Council is now in receipt of all Committee papers and continue to review these. Any issues are referred to the Council's representative. There is also regular contact with the Chief Internal Auditor from Shropshire Council, who has confirmed that WME Internal Audit (Shropshire Council) will attend the Full Joint Committee meetings where Business Plans are shared and discussed. Worcestershire County Council's Internal Audit Service has full access to the Joint Committee and WME Business Plans.

Recommendation 4: *It is recommended that in line with two of the other Member Authorities, a County Council Contracting (Procurement) Officer should act as the Council's Representative on the WME Flexible Energy Advisory Panel. This would ensure that the Procurement function has oversight, understanding and influence of the Council's energy purchasing arrangements. It would also give improved networking opportunities for the Procurement Officer with the representatives of WME and the other Member Authorities.*

Update

As advised, it is not possible to have an additional representative on the WME Flexible Energy Advisory Panel, however the Councils Energy and Utilities Purchasing Lead has provided a number of briefings to the CMR (at the time) since the task group submitted its recommendations for review. The new CMR may wish to solicit support for the appointment of a Council Purchasing Representative at their upcoming (and first meeting) later this year.

Recommendation 5: *It is recommended that, as part of the new Councillor Induction Programme, a session is included to explain the Council's Energy Purchasing arrangements via the WME Joint Committee Agreement.*

Update

Following discussions with Democratic Services, it was agreed that this was not a priority for the initial Induction Programme at that time. However, as an alternative, the Procurement Team has prepared a short briefing paper for Members which will be circulated shortly, along with an invite for the end of October for Members to join an online briefing where further detail can be provided.

Recommendation 6: *The Task Group recommends that the relevant Cabinet Member with Responsibility should be one of the Council's two Representatives on the WME Joint Committee.*

Update

The CMR has changed since the recommendation was made. The new CMR (Councillor Adam Kent) has now joined the WME Joint Committee.

Recommendation 7: *The Task Group recommends that the Council gains a better awareness and understanding of the risks and liabilities associated with being a Member authority in a Joint Committee and that, to this end, Internal Audit be asked to review the WME Risk Register on an annual basis.*

Update

The Council's Risk and Assurance Manager is now reviewing the Risk Register on an annual basis to ensure that any Council risks are considered and reflected in the Council's register.

Assurance has also been sought from the Shropshire Council's Chief Internal Auditor who has confirmed the risk management processes are looked at. The latest was November 2019 which reported that there were appropriate processes in place to ensure that Strategic and Operational Risks are recorded in a suitable format in the Risk Register and regularly reported to the Joint Committee. WME Internal Audit (Shropshire Council) attends the Joint Committee (JC) and receives full copies of all documentation that informs its planning and review.

Recommendation 8: *The Task Group recommends that it is imperative that succession planning should be given a very high priority to reduce the potential risk resulting from a reliance on a limited number of key personnel and should be included as part of the Annual Business Plan.*

Update

The Commercial Team has undergone a restructure, with a multiple officers now having direct or indirect responsibility for utilities within their portfolio, reducing single points of failure. In addition, Category Intelligence Reports are being created for each of our key categories capturing a running history of contract management issues and events, along within any supporting relevant documentation.

Recommendation 9: *The Task Group recommends that the Council should seek to encourage the West Mercia Energy Joint Committee to develop a long-term strategic plan for WME, to provide a more stable future and one where it is able to flourish to its full potential.*

Update

With the appointment of the CMR to the Joint Committee, they will take an active role in encouraging the development and management of a long term strategic plan.

Purpose of the meeting

4. Members are invited to consider and comment on updates provided and
 - Provide any further direction to the CMR or Strategic Director of Commercial and Change

- Request any further information pertaining to the energy purchasing and management from the CMR or Strategic Director of Commercial and Change.

Supporting Information

- Appendix A – [Scrutiny Report: The County Council's Energy Purchasing Arrangements](#)
- Appendix B – [Response of the Cabinet Member with Responsibility for Transformation and Commissioning](#)

Specific Contact Points for this report

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Background Papers

In the opinion of the proper officer (in this case the Assistant Director for Legal and Governance) the following are the background papers relating to the subject matter of this report:

Agenda and minutes of the Cabinet on [4 February 2021](#)

Agenda and minutes of the Economy and Environment Overview and Scrutiny Panel on [21 November 2019](#)

Agenda and minutes of the Corporate and Communities Overview and Scrutiny Panel on [10 December 2019](#)

Agenda and minutes of the OSPB meetings on [22 July 2020](#) and 6 January 2021