

LOWER MEDWAY INTERNAL DRAINAGE BOARD



MINUTES OF A MEETING of the **Finance Committee** held at
The Boards Offices, 17 Albion Place, Maidstone
on **Monday 5 December 2016**

Members of the Committee Present

Chairman: H R Neaves

S Batt
R Hinge
J C Lewis
D Dewar-Whalley

In attendance

M D Watson - Clerk & Engineer
P Bush - Technical Engineer
L Collins - Office Administrator

1. APOLOGIES FOR ABSENCE

No apologies received.

2. MINUTES

RESOLVED that the Minutes of the Finance Committee Meetings held on 27 May 2016 and 26 September 2016 are correctly recorded and that they be signed by the Chairman.

(As attached to these Minutes)

3. MATTERS ARISING FROM PREVIOUS MINUTES

Minutes of meeting 26 September 2016
Item 8 – Review of Expenditure

J/A Office Costs Telephone & Fax – The current year spend is £662 compared to the budget figure of £750. The Office Administrator explained that this was due to the purchase of the office telephone system, as reported in item 4 on the Agenda.

D Dewar-Whalley suggested that the accounting figure be looked at, as this is not expenditure.

Equipment & Supplies Rentals – The current year spend is £2,849 compared to the budget figure of £4,250.

D Dewar-Whalley asked the Office Administrator to look into this cost, as three quarters of the budget had already been spent.

REPORTED that the Office Administrator has looked into both of the above and reported the following to D Dewar-Whalley on 30 September 2016.

“Further to Monday’s Finance Meeting when you asked for a breakdown of the expenditure under the heading of Equipment & Supplies Rentals. I’m sorry that I was unable to answer that question straight off the top of my head. I wanted to be sure that I provided you with the correct information. Reported on the agenda was current expenditure of £2,849 against the budgeted figure of £4,250, as ¾ of the budget has already been spent.

Having checked our accounts I can confirm that invoices for the photocopier rental, franking machine rental, Accounts & Payroll annual licence renewals, ARC GIS maintenance renewal and the office computer support costs are all allocated to this nominal code.

I also noted your comment regarding the allocation of cost regarding the purchase of the office telephone system. £463.77 for the purchase of the office telephone system had also been allocated to this code. I have now capitalised this cost and have carried out the necessary journal to recognise it as a long term asset. This brings the expenditure figure so far for the year down to £2,385.

I hope this answers your question and I will ensure this update is included/reported in the matters outstanding from the previous minutes section of the next Finance Agenda”.

D Dewar-Whalley confirmed that he was satisfied with the response received from the Office Administrator.

All Members in attendance were satisfied with the explanation.

4. BILLS COMMITTEE

RECEIVED the Minutes of the Bills Committee Meetings held on 26 September and 27 October 2016.

(As attached to these Minutes)

REPORTED that the cheque which had previously been raised for ETR Recycling Ltd for the sum of £235.56 has been cancelled and the relevant journals within the Accounts have been carried out. This was for the collection and disposal of old tyres that had been pulled out of watercourses. Unfortunately, this company proved unreliable as they failed to turn up to the depot on numerous occasions to collect and dispose as agreed. An alternative company was sourced and the tyres have since been removed from site at a cost of £146.40.

LMIDB

REPORTED that the cheque which had been raised for Thameside Cabins Ltd for the sum of £2,700 has been cancelled and the relevant journals within the Accounts have been carried out. This was for the portocabin required at the proposed new depot site at Stickfast Farm. As the Board has decided not to relocate to these premises, the portocabin was no longer required and the order cancelled.

Members noted the comments and were pleased that a lower price had been obtained for the disposal of the old tyres from the depot.

5. **BANK BALANCES**

The Bank Statements were produced for the Chairman to sign and showed balances as at 31 October 2016:

NatWest Treasurers Account	£397,653.22
NatWest Imprest Account	£21,338.92
NatWest Special Interest Account	£1,049,598.98
HSBC	£138,634.01
Lloyds Bank	£136,379.65
Santander	£175,149.87
TOTAL BANK BALANCES	£1,918,754.65

6. **RATES AND SPECIAL LEVY**

REPORTED that the Rates and Special Levies collected as at 31 October 2016 amounted to £718,739.30, which represents 80.30% of the total due for the year.

REPORTED that the second instalment of the Special Levy payments were due on 1 November 2016.

Payments from Swale Borough Council and Tonbridge & Malling Borough Council were received in full by 1 November 2016. These figures are included in the reported Bank Statement Balances – Item 5

Canterbury City Council made their payment on 3 November 2016. This figure is not included in the reported Bank Statement Balances – Item 5.

REPORTED that the Office Administrator has had to chase Medway Council for their outstanding payment. Payment was eventually made on 18 November 2016.

7. **RECHARGABLE WORKS**

REPORTED that the following amounts for rechargeable work have been invoiced since the last meeting:

UMIDB	£4,392.23	UMIDB	£7,663.99
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REPORTED that the following amounts for rechargeable work have been received since the last meeting:

UMIDB	£4,392.23
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The Office Administrator informed Members that she banked the £7,663.99 cheque from the UMIDB last Wednesday (30 November 2016).

8. REVIEW OF EXPENDITURE

RECEIVED details of the Boards expenditure to date.

(As attached to these Minutes)

The Office Administrator explained that there were currently four areas of overspend, however, one item under the heading of Depot Equipment Supplies & Maintenance has already been reported at the last meeting and there has not been any further expenditure.

REPORTED J/A Office Costs Equipment & Supplies Rentals currently £38 over budget. This is due to purchasing a secondary ARC GIS maintenance for the Technical Engineers computer to enable him to access the mapping system at a cost of £583.

REPORTED J/A Office Costs Equipment Supplies >1yr currently £214 over budget. This is due to purchasing the office telephone system, rather than continuing with the lease, as it will pay for itself in approximately 12 months. The system cost of £463.77.

REPORTED LM Administration Costs Advertising currently £52 over budget. This is due to placing the DRO Notice in the Kent Messenger at a cost of £552.

Members noted the comments made regarding the over spends.

D Dewar-Whalley asked whether the expenditure to date report could have each column totalled for members to easily see the total estimated expenditure compared to the actual expenditure to date.

The Office Administrator to ensure this request is auctioned and all future reports contain totals.

9. ANY OTHER BUSINESS

The Clerk explained that he would like to make a proposal regarding the Works Supervisors vehicle.

Members were informed that previously the Supervisor had been issued a Nissan Nivara Van in order to carry out his works duties. The van was obviously subject to the relevant tax charges applicable.

When the Van came up for renewal/replacement, the Works Supervisor asked whether he could choose a different type of vehicle, as the Van was not very comfortable to drive around. The Clerk explained that the Works Supervisor was given a free reign regarding a new vehicle. A Skoda Yeti was chosen.

LMIDB

Members were informed that the Skoda Yeti was classed as a Car, not a Van, therefore, the tax charges applicable are considerably higher.

The Works Supervisor has had the Car for just over 18 months now, which has been a nightmare for the company with regards to tyre costs. Although the vehicle is a 4X4, it isn't really man enough for the job that it has to do and frequently gets punctures, which can't always be repaired, resulting in replacement tyres. The tax has also been a nightmare for the Works Supervisor.

The Clerk explained that there is a £4,500 settlement fee applicable, if the vehicle were to be returned to the leasing company, which would be split 50/50 between the Upper and the Lower Boards, as the total running costs of the Works Supervisors vehicle is equally split between both Boards.

The Clerk would like members to give consideration to returning the Skoda Yeti, with a view to the Works Supervisor using the Lower Board 09 Registration Ford Ranger for the next 12-18 months until a replacement vehicle can be factored in to the Boards budgets.

The Clerk explained that this vehicle is fully depreciated and has been kept as basically a pool vehicle for the last 12 months or so.

The Clerk explained this request was a personal intervention, rather than a business case and that a valuable lesson has been learnt by trying to please employees.

D Dewar-Whalley asked whether a precedence has been / or would be set.

The Clerk explained that this is and will be a one off incident. A mistake had been made by choosing a vehicle that was not really suitable for the job. In future only a proper 4X4 Van will be purchased and the relevant tax will be applicable to the individual. Non negotiable.

AGREED on a proposition by H Neaves, seconded by R Hinge for the Works Supervisor to use the 09 Ford Ranger for the next 12-18 months, provided the Upper Board are also in agreement for the Skoda Yeti to be returned to the leasing company early and are prepared to pay their element of the £4,500 settlement fee.

The Clerk thanked members for their support.

10. CLOSURE

There being no further business the Chairman thanked Members for their attendance and declared the meeting closed.