

LOWER MEDWAY INTERNAL DRAINAGE BOARD



MINUTES OF A MEETING of the **Finance Committee** held at
The Boards Offices, 17 Albion Place, Maidstone
on **Monday 27 March 2017**

Members of the Committee Present

Acting Chairman: R Hinge

S Batt
D Dewar-Whalley
J C Lewis
S Mair

In attendance

M D Watson - Chief Executive
P Bush - Technical Engineer
L Collins - Office Administrator

1. APOLOGIES FOR ABSENCE

Apologies received from H Neaves.

2. MINUTES

RESOLVED that the Minutes of the Finance Committee Meeting held on 5 December 2016 are correctly recorded and that they be signed by the Chairman.

(As attached to these Minutes)

3. MATTERS ARISING FROM PREVIOUS MINUTES

There were no matters arising from the previous minutes.

4. BILLS COMMITTEE

RECEIVED the Minutes of the Bills Committee Meetings held on 28 November, 20 December 2016, 30 January and 24 February 2017.

(As attached to these Minutes)

REPORTED that at the February Bills Committee Meeting S Batt queried a payment to HMRC of £62,217.10 that had already been signed off by J Lewis.

The Chief Executive checked the Boards bank account to confirm that this payment had already been made.

The Office Administrator explained to S Batt that this payment had been made from the Boards Imprest account, which is all the direct debits, standing orders and any cheques issued by Officers (up to a value of £5,000), or in this case a BACS payment that was in excess of £5,000, therefore, a Board Members signature was also required.

REPORTED that members at the Bills Committee meetings each month are presented with all the invoices to counter sign, so that they are fully aware of all the costs for which the Board has paid that month.

REPORTED that this was a VAT repayment made to HMRC as a result of the Environment Agency issuing an order number for the Board to invoice them for £410,000, which is the Precept Payment to be put towards the building of the new Bells & Mocketts pump station. However, their order number had VAT applied resulting in a payment to the Board of £492,000, instead of £410,000.

Members noted the comments made and were satisfied with the response given.

5. **BANK BALANCES**

The Bank Statements were produced for the Chairman to sign and showed balances as at 28 February 2017:

NatWest Treasurers Account	£81,051.57
NatWest Imprest Account	£33,030.12
NatWest Special Interest Account	£1,547,646.40
HSBC	£138,690.96
Lloyds Bank	£136,402.43
Santander	£175,149.87
TOTAL BANK BALANCES	£2,111,971.35

D Dewar-Whalley queried the amount of funds held with NatWest and felt that the Board should consider moving some of the money in order to spread the financial risk, in the event that NatWest/RBS get into financial difficulty.

The Chief Executive explained that with the imminent commencement of the new Bells & Mocketts pump station, large sums of monies will soon have to be paid to the relevant contractors.

The Office Administrator explained that the 3 NatWest accounts deal with the Boards day to day running costs and funds are moved between accounts to take into account the monthly bills for which the Chief Executive and the Office Administrator have authorisation to move money, as and when required. Usually, the money the Board raises covers the expenditure for the year, so the accounts never normally have this amount of money in them. The other 3 accounts can only be accessed by the Chief Executive and one other Board Member who is a signatory, which will mean a visit to the local Branch, should any funds need withdrawing.

REPORTED that none of the Boards accounts have internet/online access.

Members discussed and **AGREED** that some of the money in the NatWest accounts should be transferred between the other 3 accounts in order to spread the financial risk. The Chief Executive to arrange.

D Dewar-Whalley offered to provide details of other banks which the Board could consider moving funds to in order to spread the financial risk. He will contact the Chief Executive/Office Administrator with details in due course.

Metro bank and Handelsbanken were suggested by members as possible other banks to use.

6. RATES AND SPECIAL LEVY

REPORTED that the Rates and Special Levies collected as at 28 February 2017 amounted to £894,789.26, which represents 99.97% of the total due for the year.

Members felt that this was a good result and the Office Administrator should also be pleased.

7. RECHARGABLE WORKS

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

Rigden & Curling	£210.00	UMIDB	£120.02
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REPORTED that the following amounts for rechargeable work have been received since the last meeting:

UMIDB	£7,663.99	UMIDB	£120.02
Rigden & Curling	£210.00		

The Chief Executive informed Members that the £210.00 payment received from Rigden & Curling related to the sale of an old trailer, which was going to be scrapped.

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 eleven areas of overspend, two of which have already been reported at previous meeting and are marked on the attachment with **.

LMIDB

REPORTED Labour On-Costs Light Plant & Equipment currently £30 over budget. This is due to more inspections/repairs than usual being carried out on the chainsaws, polesaws and strimmers.

REPORTED Depot Rent currently £3,000 over budget. This is due to the new depot lease agreed at Tiptree Farm.

REPORTED J/A Staff Costs Ers NI currently £1,050 over budget. This is due to recruiting the Technical Engineer. This job and the associated on-costs were not known or anticipated at the time of agreeing the Estimates.

REPORTED J/A Staff Costs Ers Super currently £208 over budget. This is due to recruiting the Technical Engineer. This job and the associated on-costs were not known or anticipated at the time of agreeing the Estimates.

REPORTED J/A Office Costs Insurance currently £923 over budget. This is due to under estimating the potential increase in premiums at the time of agreeing the Estimates.

REPORTED J/A Office Costs Cleaning & Materials currently £9 over budget. This is due to under estimating.

REPORTED J/A Office Costs Equipment & Supplies Rentals currently £1,157 over budget. This is due to purchasing an additional ARC GIS package for the Technical Engineers computer at a cost of £583.20. This cost was not budgeted for in the Estimates.

REPORTED J/A Office Costs Equipment Supplies >1yr currently £789 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. (As previously reported). Have also purchased some new office furniture £359.47 and the TV in the Board Room £261.98. None of these costs were included in the Estimates.

REPORTED J/A Administration Costs Mobile Phones currently £148 over budget. This is due to purchasing a mobile phone for the Technical Engineer. This job and the associated on-costs were not known or anticipated at the time of agreeing the Estimates.

Members noted the comments made regarding the over spends.

D Dewar-Whalley thanked the Office Administrator for providing totals for each column. This was very useful for members to easily see the total estimated expenditure compared to the actual expenditure to date.

9. **KCC SUPERANNUATION FUND**

REPORTED that Barnett Waddingham has recently carried out the triennial Valuation Report.

REPORTED that the Boards contribution rate will increase from 35.5% to 37.5% with effect from 1 April 2017.

A copy of the Report was available for members to view during the meeting.

Members noted the content.

10. ANY OTHER BUSINESS

The Chief Executive informed members that after receiving below par service for a considerable period of time, a decision has been made to move the Boards insurances from NFU Marden office to the NFU Sittingbourne office.

REPORTED that there have been constant frustrations regarding changes made to the Boards policies each time renewal comes around (1 April), with no explanation as to why. This year was the final straw where a meeting had been arrange in January 2017 to review the policies with the NFU in advance to iron out any discrepancies before the policies become due, however, no one turned up to the appointment. There has not been the opportunity to reschedule since, due to holidays. The new schedules came through with numerous amendments once again to be carried out.

REPORTED that a meeting held with the Sittingbourne office proved beneficial, as a number of areas were highlighted that would reduce the annual premiums.

REPORTED that this is an area that needs reviewing with other insurance companies, however, it has proven difficult in the past when our documents only arrive days before our renewal date. Once we are confident our policies are all up to date this is something Officers will research.

S Mair offered to provide contact details of a good Broker.

11. CLOSURE

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