

**UPPER MEDWAY INTERNAL DRAINAGE BOARD**



**MINUTES OF THE MEETING of the Finance Committee**  
held on **Tuesday 18 July 2017** at 17 Albion Place

**Members of the Committee Present**

D Aikman - Chairman

J I B Cannon  
M Dobson  
T J Reader

**In attendance**

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

**1. APOLOGIES FOR ABSENCE**

Apologies received from C Wheeler and R Young.

**2. MINUTES**

**AGREED** that the Minutes of the Finance Committee Meetings held on 21 March and 25 May 2017 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 previous minutes to be discussed.

**4. BILLS COMMITTEE**

**RECEIVED** the Minutes of the Bills Committee Meetings held on 29 March, 27 April, 25 May and 28 June 2017.

**(As attached to these minutes)**

**REPORTED** that at the May Bills Committee Meeting the Office Administrator advised D Aikman that an error had been spotted after sending the paperwork out to Members regarding the narrative on the Lower Medway recharge invoice.

The invoice was worded “for fuel issued at the pumps whilst the Works Supervisor is using a LMIDB vehicle”. However, not all of the cost related to fuel, £397.72 related to insurance, £87.50 for the installation of a hands free kit, £148.66 for 4 new tyres and £392.80 for fuel issued at pumps.

The Office Administrator apologised for this oversight.

**REPORTED** that at the June Bills Committee Meeting C Wheeler queried why the Boards excavator had been taken to Haynes for a wash and clean at a cost of £400, when the Board has its own pressure washer and workmen. He wondered why this task was not carried out by the Boards workmen at the depot.

The Office Administrator said she would have to go back to the office to find out the reasoning why.

Officers **REPORTED** that the Boards excavator was due annual maintenance, and it had been noted that its condition required attention following the annual insurance inspection. Due to the age of the excavator a full appraisal was needed. To enable the maintenance agent to carry out a full check the excavator needed a full hot wash using detergent and ensuring the removed sediment was treated appropriately. To enable this activity it would have to be removed from site. In addition, due to the complexity of the wash various protective covers underneath were removed to gain access to parts that had not been washed before. The selected repair agent was the closest to Laddingford Depot, and an initial estimated cost of £500 was rejected to the acceptable final cost of £400. The wash was carried out to the satisfaction of the Works Supervisor.

Members noted the comments made and no further concerns were raised.

## 5. **BANK BALANCES**

The Bank statements were produced for the Chairman to sign and showed the following balances as at 30 June 2017:

NatWest Streamline Account	£1,442.09
NatWest Treasurers Account	£183,665.67
NatWest Imprest Account	£29,225.02
NatWest Special Interest Account	£544,812.93
Lloyds TSB Current Account	£184,754.62
Santander	£189,876.39
<b>TOTAL</b>	<b>£1,133,776.72</b>

## 6. **RATE AND SPECIAL LEVY COLLECTION**

**REPORTED** that the Rates and Special Levies collected as at 31 March 2017 amounted to £480,755.03 which represents 99.99% of the total due for the year.

**REPORTED** that 1,185 accounts were sent Drainage Rate Demands on 25 April 2017, covering the period to March 2018. The total value of demands generated was £39,376.42. A difference of £0.74 compared to the figure reported in the Estimates. This is due to roundings.

**RECEIVED** a copy of the newsletter issued with all demands.

**(As attached to these minutes)**

**REPORTED** that 29 accounts have been written off at officer level totalling £8.30, as each account was less than 50p in value.

**REPORTED** that Rates and Special Levies collected as at 30 June 2017 amounted to £254,537.74, which represents 52.94% of the total due for the year.

**REPORTED** that the first instalment of the Special Levy payments were due on 1 May 2017. All were received during May 2017.

Maidstone Borough Council had to be chased for their payment of £54,432.52. Payment was received on 19 May 2017.

Tonbridge & Malling Borough Council had to be chased for their payment of £104,129.40. Payment was received on 12 May 2017.

## **7. REVIEW OF EXPENDITURE**

Members **RECEIVED** and reviewed details of the Boards expenditure to date.

**(As attached to these minutes)**

The Office Administrator explained that there were currently 3 areas of overspend. However, she may have confused things slightly, as some of the expenditure related to the Lower Board and has since been recharged.

**REPORTED** Depot Insurance is £653 over budget. This is due to increasing the level of tool insurance, as it was agreed that the current figure was far too low in light of the equipment the Board has purchased over the last few of years. The depot alarm cover has been increased too. £847 of the reported cost has been recharged to the Lower Board as this relates to their depot insurance. Therefore, the actual spend is £1,306, which is under budget.

**REPORTED** Equipment Supplies & Maintenance is currently £1,249 over budget. This is due to the purchase of a fridge, table & chairs for the depot mess room at a cost of £261 and the purchase of a drying cabinet at a cost of £670. £413 of the reported cost has been recharged to the Lower Board as this relates to items purchased for their compressor repair and fridge, table & chairs for the depot mess room. Therefore, the actual spend is £1,086, which is £836 over budget.

The Office Administrator apologised to members for any confusion caused by reporting the Lower Board expenditure recharge. In future any costs relating to the Lower Board which have been recharged will be removed from the figures reported to members at the meetings.

**REPORTED** J/A Office Costs Insurance currently £82 over budget. This is due to increasing the level of cover in place for the office computers and laptop, along with business interruption cover. Subsidence cover has also been added to the Boards policy, in light of the new buildings that are being built close by.

**REPORTED** that the precept payment has been marked \*\*. This is just to highlight to Members that a cheque has been raised and signed via the Bills Committee, however, it has not been posted to the Environment Agency due to the Board objecting to paying the EA Precept until an adequate report had been received on how and where the money is going to be spent.

## **8. RECHARGEABLE WORKS**

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

LMIDB	£100.24	Insight Systems Ltd	£8,833.94
River Stour IDB	£3,250.56		

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

LMIDB	£100.24	Insight Systems Ltd	£8,833.94
River Stour IDB	£3,250.56		

## **9. FINANCIAL RISK ASSESSMENT**

**REPORTED** that the Lower Board Finance Committee members agreed that they should review the Boards Financial Risk Assessment twice a year and any necessary amendments would be presented to the Board for consideration.

Members were asked whether they wished to follow this process too.

Members **AGREED** to review this document twice a year, in line with the Lower Board.

**REPORTED** that the Internal Audit Sub Committee has also requested that this document be presented to them at their next meeting scheduled for 27 November 2017.

**REPORTED** that the Lower Board Finance Committee at their last meeting agreed that any reference to the Clerk should be changed to the Chief Executive. Where any specific Regulations, Policies or Insurances are referred to, should show the last and next review dates where possible. The sums insured have also been included within the Financial Risk Register.

**REPORTED** that all of these changes have already been made to the document to ensure that Both Boards Financial Risk Registers are consistent.

**RECEIVED** and reviewed the Boards Financial Risk Register.

**(As attached to these minutes)**

Members were happy with the recommended changes from the Lower Board and did not feel that any further amendments were required at this time.

Members were reminded that any changes made within the Financial Risk Register may also affect the wording of the Financial Regulations. Other documents may need cross-referencing as a result.

**REPORTED** that all documents will be fully reviewed once both Boards have made the relevant comments/amendments required and the Internal Audit Sub Committee has reviewed at their meeting in November.

#### **10. LMIDB LOAN**

Members were aware that the Board agreed at the meeting held on 19 July 2017 to provide the Lower Medway IDB with an emergency short term loan should their budget for the new Bells & Mocketts pump station overrun.

**REPORTED** that the Lower Board has asked the Chief Executive to find out more details regarding commitment and the terms of conditions surrounding this loan i.e. the sum of money, over what timeframe and the interest rate applicable to enable them to prepare and plan the repayment.

The Chief Executive **REPORTED** that there was no point progressing this any further, as consultation with DEFRA has identified that IDBs should apply to the Public Loan Authority not other IDBs for funding. There is no legislation to support the request.

#### **11. IAS DISCLOSURES AS AT 31 MARCH 2017**

Public sector bodies have been provided pension scheme expense calculations prepared in accordance with Financial Reporting Standard 17 / International Accounting Standard 19.

**RECEIVED** an extract from the Kent County Council pension fund - Pension accounting disclosure as at 31 March 2017, prepared by Barnett Waddingham in accordance with IAS19.

**(As attached to these minutes)**

**REPORTED** that the Boards estimated net liability for the year ending 31 March 2017 has decreased from 949,000 to 881,000.

A full copy of the report was available for members to view.

## **12. ANNUAL RETURN – YEAR ENDING MARCH 2017**

**REPORTED** that the Boards completed Annual Return for the year ending 31 March 2017 was sent off to the Boards External Auditor, PKF LittleJohn LLP in advance of the 12 June 2017 deadline for submissions.

The deadline for displaying the External Auditors signed report is 30 September 2017.

**REPORTED** the completed Annual Return, along with any comments made by the External Auditor will be reported at the next Board Meeting.

## **13. ANY OTHER BUSINESS**

### **Southern Farmers**

Members agreed to trial Southern Farmers for a period of 12 months upon a recommendation from an Upper Board Member. The membership costs £150 per year, which is split 50/50 with the Upper Medway IDB.

**REPORTED** that it was anticipated that the Boards could realise substantial savings on purchases from some suppliers throughout the year. However, the Boards have negotiated wherever possible discounts with their suppliers, therefore, no further savings could be achieved.

Members were asked whether they wished to continue with the subscription.

All members present **AGREED** that the subscription should be cancelled.

## **14. CLOSURE**

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