

UMIDB
UPPER MEDWAY INTERNAL DRAINAGE BOARD



MINUTES OF A MEETING of the **Finance Committee** held via
Zoom Conference Call
on Tuesday 19 October 2021 at 10am.

Members of the Committee Present

Mr D Goff - Chairman
Ald Cllr P Harper
Mr S Highwood
Cllr H Rogers
Mr C Wheeler

In attendance

Cllr M Gillman - Board Member
Cllr D King - Board Member
O Pantrey - Clerk
L Carey – Finance Officer

CHAIRMAN STATEMENT

The Chairman opened the meeting by expressing his feelings of positivity post joint administration. He highlighted the need to plan ahead and devise a strategic vision by creating a suitable financial base and provision of resources. He said flooding now represented a greater threat than ever and we needed to think how we were going to respond.

1. APOLOGIES FOR ABSENCE

No apologies were received.

2. ITEMS OF INTEREST DECLARATION

The Clerk asked that an item be added to AOB relating to the renting of a new office space.

C Wheeler declared an interest in this item.

3. MINUTES

RECEIVED a copy of the Minutes of Finance Committee on 22 June 2021.

Minutes of the Finance Committee Meetings held on 22 June 2021 were circulated via email on 20 July 2021, requesting any amendments by 20 August 2021.

It was **AGREED** by all Members present that the Minutes of 22 June 2021 were correctly recorded and should be considered as approved.

4. ACTION LIST & MATTERS ARISING FROM PREVIOUS MINUTES

RECEIVED the Action List of the meeting held on 22 June 2021.

The Clerk said the Financial Risk Assessment will now be an ongoing item for consideration.

The Clerk said that the need to replace the excavator should be assessed and suggested a wheeled excavator might offer more flexibility to the Boards works. He asked that the Works Supervisor put this idea to the Board at the main meeting.

Action: Works Supervisor to advise on the purchase of a wheeled excavator in November meeting.

It was asked how not replacing the JCB would affect the works plan.

The Clerk said he felt that they could hire in a tracked excavator as needed, but the wheeled excavator offered more flexibility.

The Clerk finished by saying that the action to go down to two bank accounts with Handelsbanken was ongoing.

5. STRATEGY AND FUTURES DISCUSSION

RECEIVED Scoping paper relating to UMIDB future objectives

The Clerk introduced the paper by saying he felt the Board needed to set out broad, relevant objectives to measure progress and justify the budget. He said this strategic direction allowed for plans to be made for the works and involvements of the district going forward. He said that the Board is uniquely placed to set its own budget and levy, but it was vital we showed why we were doing this.

A discussion was held regarding the points made in the paper.

It was generally agreed that setting of objectives was a necessary action and that the discussion should continue at the next Board meeting. There were comments that suggested this needed a priority system so that the Board focused its energies in the key areas.

Action: Provide paper for the Board with preliminary priority listing of objectives set out in the scoping paper.

Action: Propose that Board meetings are held at physical locations with drainage or flood management relevance to allow further information for Board members.

6. ESTIMATES – DRAFT BUDGET FOR 2022/23

RECEIVED a copy of the provisional budget for the financial year April 2022 to March 2023.

There was a discussion over the proposed budget and levy for the coming financial year including potential purchases that will come from the reserve.

It was requested that some of the areas of major change were explained.

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The Clerk said that this budget was far more transparent than previous years which meant that nominal codes previously used for grouping of costs were now broken down.

It was requested that the figure marked as 'Finance' was further explained.

The Clerk explained that this was a sum of money allotted to either outsourcing of administration or bringing in a new finance officer. He said that after discussions with the Water Level Management Alliance (WLMA) it was apparent that while losing staff was a blow, it did offer some excellent opportunities to change how we worked at an administration level. The discussions had shown that there was a potential relationship between the UMIDB and the WLMA where they offered administration services to us on a short to medium term basis.

The Chairman explained that after discussions with Pevensey and Cuckmere's Chairman, Bill Gower, it was clear that the service the WLMA provided was extremely professional and positive. He also said that there was also provision in the budget for a part time admin assistant to aid the Clerk locally.

Generally, this was agreed to be a good idea and should be put to the Board with further information and costings.

It was noted that even after the separation of the Boards, the cost to the UMIDB to deliver the same service but with reduced liability was likely to provide a perceived saving of nearly £150,000. It was agreed that this served as an indication that the decision to separate was vindicated.

The Clerk requested that a list of projects and purchases should be made against the money from the sale of Albion Place and the money returned from the LMIDB for the new office. He said we didn't have to unnecessarily raise the levy when we had a lot of cash in the bank.

It was **AGREED** by all members to put a list of one-off purchases to the full Board in November.

Action: Clerk to put together a list of one-off purchases for 2022/23 that will not be levied but instead come from additional reserves, for Board approval.

All Members in attendance **AGREED** that the recommendation to the Board for a **1.5% increase** to the penny rate for the year 2022/23 was appropriate.

Action: Add £2,000 commitment to the Medway Valley INNS project to the annual budget.

All Members in attendance **AGREED** that the WLMA should provide a more detailed quote for administrative services.

Action: Request a quote from the WLMA on financial administration, handling and management of the rates, and the mapping relating to the rating system (DRS).

7. **BANK BALANCES**

DISPLAYED bank balances as of 18 October 2021

Paying In Account	£153,173.62
Paying Out Account	£165,815.68
Savings Account	£789,108.28
Total Balance	£1,108,097.58

8. FINANCIAL REPORT

The Finance Officer gave a verbal financial situation report to the members.

The Finance Officer explained that the reserves were now broken down to identify why the sum in the savings account was so high. £350,000 was allowed for plant, £77,000 was allowed for Surface Water Development Contributions received and £362,108.28 was the general reserve held separately.

She continued by saying we have around £8,000 outstanding rates that will continue to be chased.

The Finance Officer said that the money for the new office was now back from the LMIDB as requested. The amount returned was higher than expected after further scrutiny of the figures by the Finance Officer and the Clerk. The total returned was **£148,420.35**.

The Clerk asked that the committee minuted a sincere thank you to Lorna for her efforts to resolve the financial issues the Board had. He said that with the backdrop of the last year she had done a tremendous job and would be missed.

This was **AGREED** by all members present, who thanked Lorna for her work with the Board.

9. MINIMUM BANK BALANCE POLICY FOR 2022/23

The Clerk said that as part of the internal audit, it was important that the Board clearly demonstrated its minimum bank balance policy and that this was put into the Capital Reserve Policy. He said that the current level was a reserve of £350,000.

All members **AGREED** that £350,000 was a suitable level of reserve and would put this recommendation to the Board in November.

Action: Recommend to the full Board that it maintains its previously agreed minimum reserve balance of £350,000.

10. EXTERNAL AUDIT PART 3

RECEIVED AGAR with external audit comments for 2020/21.

The Clerk said that while this was largely for information, he wished to acknowledge the comments of the external auditor in relation to approval of the AGAR. He said we previously did this at Finance Committee level and then showed the Board, but we must in future receive a minute stating the Board has approved the AGAR also. He said that while this was an administrative technicality, it was vital going forward.

He also requested that the Finance Officer gave members a recap on why we had restated our figures for previous years.

The Finance Officer then explained that previous figures on the AGAR had not suitably matched our balance sheet and that this had now been resolved going forward. She said that with the help of the WLMA they now had figures that would be correct for the coming year.

It was questioned what the issue was regarding staff remuneration.

The Clerk said this was a comment by the Internal Auditor that we were not using a stepped framework in line with the ADA Pay and Conditions Committee and its suggested annual increases. The Clerk said he felt this was slightly unfair as a criticism because the Board was able to make its own decisions on staff remuneration and did in fact follow the ADA White Book fairly closely, especially when moving staff onto new pay steps.

The Chairman said he would like to make it clearer to the Board about how pay and remuneration worked for its staff.

Action: Clerk and Chairman of Finance to demonstrate to the Board the pay scale used for its staff.

It was requested by Ald P Harper that the Clerk and Finance Officer were given a minuted thanks for their efforts to move the Board forward. He said it was an enormous improvement and wanted it to be acknowledged.

All members **AGREED** the Clerk and Finance Officer had done an excellent job in the last 18 months.

11. IDB1 FORM

RECEIVED IDB1 Form for 2020/21.

The Chairman said he wanted to improve the landowner/elected representation on the Board and that he was in contact with one, potentially two, new elected members.

Action: Discuss new members at November meeting including potentially co-opting specialists from interested parties and bodies.

12. FINANCIAL RISK ASSESSMENT

RECEIVED Financial Risk Assessment 2021/22

The Clerk explained that the internal auditor had said the financial risk assessment used previously was entirely unacceptable, so he had created a new document earlier in the year that was more appropriate.

He said it was requested that this was an agenda item at every Finance Committee meeting going forward and that he wished for the Board to approve this every November ahead of the internal audit.

It was requested by Ald P Harper that the Clerk added a section in relation to the separation of the Boards and staffing, including the mitigations carried out by the Board via the budget.

All members **AGREED** to recommend that the risk assessment including the suggest amendments went to the Board for approval.

Action: Clerk to add section to Financial Risk Assessment relating to Board separation and loss of staff.

13. ANY OTHER BUSINESS

Adoption of annual increases in the Surface Water Development Contribution in line with WLMA

The Clerk said he wished for the Board to allow the calculated rate for the SWDC to be increased automatically in line with the recommendation of the WLMA. He said this was generally at the rate of inflation but was reviewed by them every 5 years.

All members present **AGREED** that the rate of the SWDC should increase in line with the WLMA.

Action: Clerk to inform WLMA that we will follow their recommendation going forward.

Staff Remuneration Rate for 2022/23

The Clerk requested that the increase in staff and work force wages for the coming year was kept in line with inflation at 3%.

All members present **AGREED** that the staff wage increase for 2022/23 should be at 3%.

Action: Finance Officer to arrange increase in wages as of April 2022.

Approval of additional biodiversity survey work by Carol Donaldson

RECEIVED Quote from Carol Donaldson.

It was **AGREED** that this would be put to the Board as a one-off expense of £60,000 over 6 years as part of the document previously discussed relating to single purchase items.

It was requested that the cost is explained further to the Board in the first meeting in 2022.

Tenancy at new office space at Bullen Business Centre, East Peckham

RECEIVED Draft tenancy agreement and particulars of property at Bullen Farm

C Wheeler declared an interest in this item and left the conversation

The Clerk said he, the Chairman of the Board, and the Chairman of the Finance Committee had visited several locations now including offices at Maidstone BC, Tonbridge and Malling BC, and at Bullen Farm. He said that due to the dramatically reduced need for space due to the loss of staff he felt that the Borough Council offices were no longer suitable.

He suggested that the office at Bullen Farm offered security, storage, and a place for deliveries at a good price. He said while it was big enough for committee meetings it would not be big enough for full meetings of the Board.

It was generally agreed that Bullen Business Centre offered a central location, close to the depot, with good security, and at a good price.

All members **AGREED IN PRINCIPLE** to the tenancy at Bullen Business Centre, subject to Board approval in November.

Action: Request Board approval for Chairman to sign the tenancy agreement at Bullen Business Centre.

Improvements to water control structures at UM89A and UM27

The Clerk said this was a quote from BC Engineering for the making safe of control structures at watercourse 89A in Golden Green, and watercourse 27 in Paddock Wood. He suggested this was paid for from the SWDC reserve.

All members **AGREED** that this quote should be accepted and actioned using funds from collected SWDC.

Action: Instruct BC Engineering to proceed with the works on UM watercourses 89A and 27.

14. DATE OF NEXT MEETING

The date of the next Finance Committee/Estimates meeting was to be confirmed at the next meeting of the Board.

15. PRIVATE & CONFIDENTIAL MATTERS

There were no private and confidential matters to discuss.

16. CLOSURE

There being no further business the Chairman of Finance thanked Members for their attendance, stating that he was delighted we were finally able to start looking at strategy and drainage for the first time in years. With that he closed the meeting.