

UPPER MEDWAY INTERNAL DRAINAGE BOARD



MINUTES OF A MEETING of the **Finance Committee** held at
Upper North Hall, Bullen Court
on Tuesday 10 December 2024 at 10am.

Members of the Committee Present

Mr H Rogers - Chairman
Mr D Goff – Vice Chairman
Mr S Highwood
Mr C Wheeler
Cllr M Summersgill

In attendance

O Pantrey - Clerk
L Carey – Responsible Finance Officer

1. **APOLOGIES FOR ABSENCE**

None

2. **ITEMS OF INTEREST DECLARATION**

None

3. **MINUTES**

RECEIVED a copy of the Minutes of Finance Committee on 28 May 2024.

It was **AGREED** by all Members present that the Minutes of 28 May 2024 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 28 May 2024.

No action

The Finance Committee Chairman asked about the Resilience Fund Committee, to which The Clerk noted that the Resilience Fund at present is headed up by Stuart Highwood as the Board Conservation representative. He said that it should be brought up once the fund had received an application,

because at this time it was an underutilised scheme. It was suggested that we let the Parish Councils know more about the scheme.

5. BUDGET UPDATE

The Chairman asks to run through the red items on the Budget Report just to show due diligence and to explain the 'Yes' column.

1. Depot Capital Expense – For the purchase of new gates at the depot after the break in.
2. Office Capital Expense – For the purchase of the new lease on the Photocopier and the migration of IT services to Gray IT Ltd from Pantec.
3. Office Capital Expense – Termination fees from Pantec.

The above represents the anomalies within this budget.

The Finance Committee Chairman said he felt the 'traffic light' system wasn't quite working as intended. The Clerk said he would look to remove the wording within the cell to avoid confusion. He confirmed that the beige 'yes' cell indicates that we are outside of the 5% variance but that it was not due to overspend/underspend concerns. He continued by saying that where there was a red 'yes' cell that is where the officers deemed it appropriate to explain the variance.

The Finance Committee Chairman asked if this was helping with internal budgets to which the Clerk said it most definitely was. He said the ability to visualise the nominal spends more clearly gave much easier 'at-a-glance' understanding when setting and amending budgets.

The Finance Officer said that the Budget Report is showing that our spending is on track as we are 2/3rds of the way through the finance year and have spent 66% of the budget, with a further 34% left to spend.

6. FINANCIAL REPORT

The Finance Officer said that the bank accounts were steady and healthy at present, and that she had broken down the savings account into departments, so that the Board can see where we are utilising the funds.

Bank Accounts – As of 29th November 24

Handelsbanken In	£270,817.91
Handelsbanken Out	£184,642.73
Savings Account	£919,806.47
Of which	
Minimum Bank Balance	£350,000
Plant Funds	£119,426.60
Surface Water Contribution	£75,646.77
Resilience Funds	£144,000
Ecology	£35,557.36
Surplus Funds	£128,439.29
Byelaw Enforcement Funds	£25,083.82
Interest	£41,652.63
Total of all Bank Accounts	£1,375,267.11

She said she was happy to report that all councils have now paid their Levies and that the Agricultural Drainage Rates are on schedule to collect the majority by the end of the financial year. To date we have £6,035.87 still outstanding on the Drainage Rates, this equates to 1.22% of the overall expected rates due.

ACTION – Meeting in May 2025 to discuss the list of debtors and the time frame as to how we wish to move in regards of chasing or writing off. RFO to let the Board have a list of the most prevalent debtors.

The RFO explained that we have brought in a further £52,451.53 from SWDC and an extra £4,513.78 from rechargeable works and that we are forecasting a surplus for the year of approximately £35,938.

The Finance Officer continued by explaining the Board hadn't received insurance costs for next year, but that the officers were budgeting £7,000 in heavy plant due to the incident in October where one of our tractors allegedly hit a headwall.

The members agreed it was a good idea to bring in the insurance company and let their loss adjusters take over the claim. As per last year we have built in a risk factor in our budget, and this remains conservative and based upon actual.

In the Private & Confidential of the Board meeting in November 2024 it was discussed that all staff receive a £100 net bonus this year. Under the Scheme of Delegation, the Finance Committee have authority to do this. The RFO therefore asks that this is approved to enable the staff to receive this in their December wages.

Proposed by Cllr Mike Summersgill and seconded by Stuart Highwood, it was **AGREED** by all.

We have now received the signed contract from Jarmons Farm to continue storing our T6 tractors for another year.

The Clerk would like to inform the Finance Board that we had received acceptance of the offer made to for a new member of staff to work along side Emma in a Sustainable Development role, therefore expanding that department to two members of staff.

7. ESTIMATES

Based on the Budget and Finance reports the **recommendations from the officers for the levy this year will be a 3% increase over the 2024/25 budget.** This is to allow us to manage our recruitment from this year and ensure that the annual reduction on excessive funds remains appropriately managed.

The Finance Board asked why we have only requested a 3% increase in the levy despite the larger spend. The clerk responded explaining that the Board want to diminish our reserves, even though our spending was approximately 8% higher this year due to HR levels. He said that if we continue this trend, it will mean that we could reduce our rates to 2% moving forward, thus causing a plateau in the rates as this was missing from previous administrations prior to the new Clerk and RFO taking over in 2020.

He warned that he felt the Board needs to use the £128,000 surplus funds within the next few years to enable us to be able to work with the councils more effectively. He also added that this is only possible for us to do due to an offset of £80,000 from SWDC & rechargeable figures that are now

factored into the budget, otherwise the Board would be working at an unsustainable loss. He said he felt this level of risk was acceptable considering the PSCA contracts in place and the track record of SWDC received over the last 2 years.

The Clerk requested that the recommendation made to the Board was for the Levy to be increased by 3% for 2025/26.

On Proposal by Chris Wheeler and seconded by Stuart Highwood, it was **AGREED** by all.

The new 'Top Sheet' design for the monthly bank reconciliations were welcomed with great enthusiasm. The Finance Committee Chairman found this to be both clear and informative, exactly as he wanted it to be. The other Board members agreed and thanked the officers for the work to get it in this position.

Action: Demonstrate changes in monthly budget management to the internal auditor.

8. STRATEGY AND FUTURES DISCUSSION

The Clerk outlined that the Board was holding around £900,000 spread over several saving schemes, but he was becoming concerned that we might not be getting rid of excess funds quick enough due to the increase in non-levied funds received by the Board (PSCA and recharge). He said that holding the funds was fine if we can justify the reason, so he wasn't worried about the earmarked pots yet, although he felt they needed to show they were being used.

It was discussed that the Board hold a minimum of £350,000 to cover the HR and replacement costs, but it was important to look forward at how the rest of the funds were being used.

The Clerk would like to recommend we spend the funds on the district or the Board.

1st suggestion was that we redevelop the depot at Lees Road and merge the office to there as well.

2nd suggestion was that we employ more ground staff to help with the increasing workload being placed upon the team.

3rd suggestion was that we wait another three years and then see what we can do with the surplus funds.

He said that he had reduced the savings burden on the levy by extending our plant lifespan from 4 to 10 years but that if the Board spent it's reserves it would have to place the burden back onto the levy in the future.

The Chairman of the Board recommended that we stay as we are for the next 12 months in respect of our funds and to take another look at it then.

The Committee agreed that they are currently supportive of the savings held by the Board and its means of distribution against the backdrop of medium-term plans and major flooding.

9. MINIMUM BANK BALANCE POLICY FOR 2025/26

Recommendation by the Finance Committee that the minimum bank balance of £350,000 goes to the main Board in January 2025.

Clerk would also like to suggest that we put aside £10,000 for planning of Lees Road to have the depot/office feasibly placed there. The Committee agreed this should be the recommendation to the Board.

Action: Request £10,000 feasibility money be released by the Board for Lees Road redevelopment opportunity.

10. FINANCIAL RISK ASSESSMENT

No further comments as this was just to say that the committee have seen the risk assessment as per the Internal Auditor's request.

11. PAY AND CONDITIONS

The Finance Officer explained that it was requested by the Board and the Internal Auditors that we put in place a pay scale ladder like the White Book by the Lincoln Boards. She explained how the ladder has a historical view as to where each member of staff starts and can work their way towards over time.

The Clerk said that he wanted to request a 2% pay rise plus their individual step (where applicable).

The Finance Committee reviewed the pay scale and the 2% pay rise in principle has been agreed as per the said scale. The members agreed it would be taken to the Board for recommendation.

The Finance Officer explained that the new Labour Government had recently brought in the new Sexual Harassment Policy. She confirmed that all staff are set for training for this in January 2025.

12. ANY OTHER BUSINESS

The Board Chairman has placed an article in the ADA Gazette, which was well received by the members. He said it was a good opportunity to approach a piece from both an IDB and a National Flood Forum view, to which members were supportive.

The Clerk explained he had attended a further meeting in respect of the new DRS 365 'virtual' consortium. It has been agreed that the Romney Marshes Area IDB would take the lead on this and sign the agreement with Phil Camamile at the WLMA. They will then invoice the other IDB's annually for the sum of £1,350 starting April 2025.

The Clerk confirmed the WLMA will invoice us for the initially upgrade fee at a cost of £4,000, this can be paid as soon as we have received the invoice. All members were happy this was progressed.

13. DATE OF NEXT MEETING

The date of the next finance committee meeting was confirmed as Tuesday 27th May 2025

14. CLOSE

There being no further business the Chairman of Finance thanked Members for their attendance, thanked the staff for all their work, and declared the meeting closed.