

Lower Severn IDB

MISSION STATEMENT

We provide land drainage, flood risk management and surface water management to achieve safe, prosperous communities that enjoy the amenity and biodiversity benefits of the water environment.

Draft Minutes of the Finance Committee

Mr J Hore (Chair)

Ald N Barton, Mr J Cornock, Cllr S Milestone, Mr J Nichols (v. Chair) Cllr M Riddle, Ald M Sykes

Wednesday 3rd December 2025 @ 10:30am, Lower Severn IDB Offices/Hybrid

Item		
1.	Appointment of Chair MB nominated JH All voting members in favour Resolved JH as Chair of Finance Committee	Chair
2.	Appointment of Vice-Chair JH nominated JN All voting members in favour Resolved JN as Vice Chair of Finance Committee	Chair
3.	Apologies/Welcome In attendance: Mr J Hore (Chair Finance Committee) Mr J Nichols (v. Chair) Mr M Barnes Mr R Godwin Mr G Simms Mr J Cornock Mr G Taute (CEO) Apologies: Ald N Barton, Cllr S Milestone, Cllr M Riddle, Ald M Sykes	Chair
4.	Chair's Announcements JH thanked GT for his work with financial matters.	Chair
5.	Declaration of Members' Interests JN has an interest due to storage of the generators, and RG has an interest due to land leased at Lapperditch. No other interests declared.	Chair
6.	Any Comments on Actions GT listed actions. <ul style="list-style-type: none">Review of Previous Actions GT confirmed that all actions listed on page 5 from the previous year and from the May meeting have been completed and are shown in green.Avonmouth Invoicing JH asked about the status of this. Although a presentation on historic and future Avonmouth invoicing was made in June by JT, GT clarified that the matter requires a forecast on future invoicing, and a check on re past invoicing, and maintenance responsibilities. To report back at the next committee meeting.GT confirmed that this will be raised as a new ongoing action, as the issue remains a concern.Hinkley Point C<ul style="list-style-type: none">A previous report (SLT) contained a statement requiring adjustment at MR's request was questioned by JC.The National Grid connection line for Hinkley Point C passes through Avonmouth, and related infrastructure may require installation.While no operational impact is anticipated, any proposed works may require the organisation's consent.Further clarification is required to confirm responsibilities and implications.	GT

7.	<p>Financials to October 2025, Forecast 2026, and the draft Budget 2026/27</p> <p>JH said all Board members have ability to access financial information and is pleased how transparent this is.</p> <p>GT led the committee through the Finance Report:</p> <ul style="list-style-type: none"> Income statement reflects additional grant money of £1.28m received to date. Avon Rivers Trust invoicing and a development invoice at Avonmouth shows a positive variance to budget year to date Interest received from deposits amounted to £107k for the year to date. <p>JH asked JN if he had any comments; JN stated that reserves at the bank have increased to £120,000 from £85,000.</p> <p>GT continued:</p> <ul style="list-style-type: none"> Income line showing £1.4m in excess of the budget (mostly due to grant money received.) payroll favourable by £17k due to Field Operator vacancy, and noted a resignation. Program payroll allocations will change in the next two years to ensure there isn't a huge step change in salaries on completion of the pump programme project. There will therefore be larger payroll cost increased as less will be allocated to the programme. Administration costs higher due to insurance costs (cyber security) and an increase in IT licensing. Big adjustment in depreciation due to commissioning of new pump stations moving to after the financial yearend; this is coincidentally beneficial to LSIDB in terms of smoothing rate changes going forward. Loan interest and bank charges are tracking as expected. Well controlled cost to budget is shown with mostly favourable variances indicated to date. Debtors collections are in line with expectation. Creditors invoices not paid on pumps are included, however these are paid in November 2025, so will come down to a reasonable level. <p>GS updated all that JT had made a speculative enquiry about new grant funding from Defra. Defra said there was a possibility if LSIDB met the requirements. One application has been submitted for over £400,000, and JT will submit another funding application this week to Defra.</p> <p>GS suggested that a permanent culvert at Wicks Green to allow for over pumping was needed; wants Jacksons to price it by Friday so we can apply for the Defra money to spend on this. Will bid for £600,000 - £700,000. LSIDB need the budget and assurance that it will be done by end of March 2026. JH, MB and GT thanked GS for his work on this. GS noted that JT has a good relationship with the Defra officer.</p>	GT
	<p>GT led the committee through the pump programme financial report page:</p> <ul style="list-style-type: none"> GT noted project life to date costs of £2.8m to end of October. Approved program budget is £9.91m. 28% spent; most designs and professional services are complete. Pump stations are a fixed price contract We await quotes for Wicks Green and Oldbury pump station replacement JC asked if prices on design could be reduced due to repetition of pump design; GS said all sites vary. Although the condensed programme will bring efficiencies and improve costs. GS asked JN if he was storing the Oldbury Pumps; JN hasn't been asked but he confirmed he can do this but it needs further discussion. <p>Comments on the forecast for March 2026:</p> <ul style="list-style-type: none"> GT noted that the Income will remain positive, mostly due to grants received and interest on deposits payroll costs will increase due to less being allocated to the programme due to changes in the programme timelines Depreciation different due to the timing of current construction costs. And life changed to 40 years, this was supported by the committee. Year will end in a favourable situation as is the trend to date. <p>GT will continually update this and present the forecast again at February's Full Board.</p> <p>Budget 2026/27:</p> <p>Rate impact is 4.5% to 5% so not the 8% to 9% previously expected so good news for rate payers.</p> <p>Payroll will be higher, due to reduced payroll allocation to the Programme. GS explained this in further detail; staff will still potentially be utilised for demaining and other projects. JN thought there should be a reduction in staff costs. GT said office staff numbers are coming down to be in line with pre-programme levels, probably to 5 office staff from the 8 odd that we had in 2024.</p> <p>GT advises applying for an additional £2m loan in 2026 for the programme, although this would come down if additional grant money was received. GT asked the Finance Committee to support applying for £2m loan, which will only be drawn down as required. GS advised waiting until January as we will have numbers for Wicks Green and Oldbury by then. GT agreed, and suggested an extraordinary meeting to agree for the application for the loan and of course the new programme budget in that meeting.</p> <p>JC concerned over knowing whether Jackson's are offering the best price; GS said the procurement framework offers assurance in this regard which include price checks. Suppliers are seeing rising costs, also there are limited suppliers. Programme Board meet with Jacksons regularly to ensure it is being delivered to the numbers. The longer it takes the more expensive the Programme will become.</p> <p>JH noted that it is very difficult to get quotes due to limited suppliers and time to get these withing set timelines.</p>	GT

	<p>JN asked whether new estates could increase potential drainage rates; GS boundaries need to be reviewed to potentially encompass this. GS said it is potentially fall with the Environment Agency. JN concerned over sluice gates at Oldbury on Severn; GS said the problem needs to be identified; potentially need a new sluice gate at Oldbury on Severn. JH noted the SUDS on new developments should mitigate flooding.</p> <p>GT noted the balance sheets shows a growth in assets due to the investment in the programme. GT asked for the Finance committee’s support for the 2026/2027 budget to be taken forward to the Full Board in February 2026 for approval, and new rates proposal, noting there may be changes before the Board meeting before February.</p> <p>Budget proposed GS, seconded MB. All voting members in favour.</p> <p>Resolved to approve budget to be brought to Full Board in February 2026.</p> <p>8. Payments to be Noted</p> <p>MB said he was satisfied with payments. All satisfied with page 10.</p>	
<p>9.</p>	<p>Risk Register Review and Update</p> <p>GT said Risk Register should be reviewed in committee meetings and handed copies to members. GT discussed each section in detail with members, including:</p> <p>GT reported that current high deposit balances continue to benefit from favourable interest rates. It was noted that interest rates are expected to reduce in future, which will lessen financial returns. Exposure will naturally decline as deposit levels decrease.</p> <p>GT confirmed that all deposits are placed with highly rated institutions. BlackRock is rated AAA and NatWest AA, and both are considered secure deposit takers.</p> <p>GT noted that risks relating to fraud, manipulation and cash loss remain present but are effectively managed. Strong internal controls, checks and balances are in place, and auditors have confirmed satisfactory performance. Relevant insurance cover is also held.</p> <p>The Board noted the safeguarding measures in place, including insurance coverage, CCTV, motion sensors and a monitored alarm system. A central monitoring company notifies the police and designated staff of suspicious activity. Vigilance remains necessary due to the amount of equipment stored on site.</p> <p>GT informed the Board that ADA will run a media training course in March. Under the Business Recovery Plan, Matthew is the designated media spokesperson, and both MR(to be confirmed) and GT will attend the course to ensure appropriate media handling and reduce communication risk.</p> <p>GT confirmed that specialist legal advisers are engaged as required to manage legal matters effectively. (Item 8.2)</p> <p>GT advised that locations at Wicks Green and Marshfield are being considered for the new mobile pump. Discussions are ongoing with Jackson’s regarding suitable insurance. The Board noted limitations of cover for mobile equipment when used off-site. Interim security solutions are being explored. Once yard improvements are completed, an enclosed barn section with a roller door will provide secure storage.</p> <p>GT reported that CapEx for the forthcoming year is expected to be minimal, covering yard concreting work and the enclosure of the rear barn section. No major plant purchases are anticipated, which will support cashflow.</p> <p>GT advised that progress continues regarding the acquisition of land from the Council. Land Registry surveys have been completed, and further documentation is being prepared by the organisation’s lawyers. Acquisition of the additional land will allow for future development opportunities.</p>	<p>GT</p>
<p>10.</p>	<p>Confirmation of Actions</p> <ul style="list-style-type: none"> • Further clarification is required on historic and projected Avonmouth invoicing. JT/GT • The Defra grant application is due for submission by Friday and is considered a priority action. JT • A formal CapEx plan for 2026/27 (approx. £30,000) will be produced. GT • GT will update and improve the narrative within the Risk Register for clarity. • The vacancy on the committee should be filled due to low attendance. RG has been appointed for this. GT • The Public Works Loan application will be held pending a clearer financial outlook in January, and potentially an extraordinary meeting will be held before February’s Full Board meeting. GT • Final <p>Any Other Item Which the Chair or CEO Decides is Urgent</p> <p>Discussion was had on the following:</p> <ul style="list-style-type: none"> • Concerns regarding low attendance at the meeting, noting that although an online participation option had been offered, it had not been used by any members. GS observed that all current committee members had previously indicated interest in serving, yet attendance did not reflect this. It was suggested that some members may assume that matters covered within other Board/Committee meetings reduce the need for attendance at this committee. • JN raised that, following the reorganisation of committees, there is no longer a clear forum for oversight of staff salaries—an expenditure that equates to a large portion of organisational costs. It was noted that this topic is not routinely addressed within the Finance Committee 	<p>GT</p>

	<p>or Executive meetings. Members discussed and confirmed that this responsibility is already being incorporated into the Business Services Committee.</p> <ul style="list-style-type: none"> • GS proposed RG to join the finance committee, and fill the existing vacancy, in order to strengthen membership and improve attendance, seconded by JN, and supported unanimously by members present. It was noted that the continuous scheduling of the Executive and Finance Committee meetings on the same day may help support attendance at both. <p>It was resolved that Roger Godwin would join the Finance Committee as a committee member.</p> <p>The committee discussed that while staff salaries are an important organisational matter, this committee does not set salaries. It was agreed that the appropriate place for salary discussions is confirmed to be accommodated within Business Services Committee work.</p> <p>Members acknowledged that significant work goes into preparing reports and budget information for Board and committee meetings. Some noted that the volume of information circulated to Board members may discourage full engagement, although efforts continue to present information as clearly as possible.</p> <p>GT confirmed that a virtual Board meeting will be held in the second week of January to approve updated financial numbers, including the revised budget for the upcoming year and a five-year projection. Updated figures will be shared with the Finance team in advance.</p>	
		Chair
12.	Date of Next Meeting: 20 May 2026	Chair
	Close	Chair