

LOWER MEDWAY INTERNAL DRAINAGE BOARD



**MINUTES OF A MEETING OF THE EXTRAORDINARY FINANCE COMMITTEE
HELD ON MS TEAMS
ON THURSDAY 04 APRIL 2024 AT 2PM**

Members of the Committee Present

Chairman: J Mair
G Fulton
S Mair
P Marchington

In attendance
P Haselhurst - Clerk

1. APOLOGIES FOR ABSENCE

Apologies received from G Etheridge.

2. ITEMS OF INTEREST DECLARATION

None.

3. HARTY AND LEYSDOWN PUMP REPLACEMENT

Members of the Committee present agreed for the Clerk to Chair the meeting.

The Clerk summarised the current progress on the pump station replacement and explained that STANTEC were currently undertaking a tender exercise for the civils and construction element of the works. The Clerk explained that to assist with the timely execution of works planned for June, it would be prudent to gain approval for the associated expenditure. She explained that the tender exercise was planned to finish on the 02 April but had been extended until early May and therefore she did not have a definitive recommendation to the Board in terms of the successful tender or costs but would like to gain approval for the executive approval of a successful tender and an upper limit on costs.

The Clerk stated that estimated costs from March 2022 for the civils element was around £565,796 but that it would be prudent to account for contingency say at a % above that. The Clerk added that there was a small amount of savings in reserves assigned to the Harty and Leysdown project which even when accounting for the design phase underway, there were still funds that could be allocated and depending on the shortfall, it may be more prudent to utilise reserves rather than go down the Public Works Loan route. She explained that there may also be another funding opportunity via ADA

following the announcement of £75million funding from Government and that ADA were currently establishing how this funded pot could be administered for IDBs.

The Committee discussed the Clerk's proposal at length. SM asked if the Finance Committee had approval for the spend. GF said this was an important question.

The Clerk explained that the current Scheme of Delegation states that the Finance Committee is responsible for all matters relating to financial management of the Board's affairs but does need revisiting as there does need to be more specificity in terms of project expenditure. The Clerk said that she will review the SoD and ask for Board input in June.

SM said that the principle of the replacement of the pump stations had been long established with the Board and Finance Committee. The Clerk added that time was limited in terms of approving a tender and awarding a contract, and that any delays could result in additional expenditure to the Board.

The Chairman (JM) said that he was starting to see costs settle after the period of inflationary increases and wondered if the costs may have even come down from the initial quote. He asked if it may be prudent for the Committee to review the costs of the tender return. The Clerk said that she could send the tender returns for review by the Committee.

SM proposed that the Clerk has authorisation to approve a successful tender and award contract on the basis of an upper limit of £600k + 15% (£690,000) and send the tender returns via email to the Committee for information and comment. All were in agreement.

GF and SM added that depending on costs, if it seemed that utilising reserves would be more cost efficient then this could be put to the Board at the June meeting. All were in agreement.