

**LOWER MEDWAY INTERNAL DRAINAGE BOARD**



**MINUTES OF A MEETING OF THE FINANCE COMMITTEE  
HELD AT 13 CONQUEROR COURT, SITTINGBOURNE  
ON MONDAY 29 JANUARY 2024 AT 12PM**

**Members of the Committee Present**

Chairman: J Mair  
G Etheridge (remotely)  
G Fulton  
S Mair  
P Marchington

**In attendance**

P Haselhurst - Clerk  
C Longden - Finance Officer  
L Rowland - Office Manager

**1. APOLOGIES FOR ABSENCE**

No apologies received, all Members present.

The Chairman welcomed Members to the meeting and acknowledged this was the first Finance meeting without J Lewis since his resignation from the Board. He asked for thanks to be recorded for J Lewis for his valuable contribution to the Finance Committee and Board.

**2. ITEMS OF INTEREST DECLARATION**

S Mair declared that the catering for today's meetings had been supplied by his wife's company, Sarah Serves.

**3. MINUTES**

**RECEIVED (Appendix 1)** the Minutes of the Finance Committee held on 9 October 2023.

It was **AGREED** that the Minutes of 9 October 2023 were correctly recorded and should be considered officially approved.

#### 4. **ACTION LIST & MATTERS ARISING FROM PREVIOUS MINUTES**

**RECEIVED (Appendix 2)** a copy of the Action List of the Board held on 9 October 2023.

The Clerk gave an update on the outstanding actions as follows:

**Public Works Loan** – pumps have just been purchased. We are not at the stage where we need to apply for the loan. This will be needed for the civils element.

**Savings Accounts** – forms to be signed for the new CCLA investment account.

The Clerk asked for the Board's approval for the authorised signatories for this account and any new accounts that may be opened. She requested that the authorised signatories be herself, S Mair, Chairman - J Mair, and Finance Office – C Longden.

On a proposition by S Mair seconded by P Marchington it was **AGREED** that the Clerk, Finance Chairman, S Mair and Finance Officer should be the authorised signatories for the CCLA account and any new future savings accounts that are required to be opened in the future.

All Members agreed.

**Change of Clerks Authorisation Limits** – was paused, will move forward on this.

**Display of Historic Minutes** – outstanding, it was suggested that one or two pages of the early minutes be displayed in a LED backlit, wall mounted box in the Boardroom.

**Harty and Leysdown Pump Replacement 17.5% Contractors Fee Clarification** – confirmed that the 17.5% was only applied to part of the contract cost from Perfect Circle who manage the scape framework, which is the admin fee which allows us to call off of that framework, but this does not apply to the cost of the pumps just the mechanical and engineering contract itself.

#### 5. **BANK BALANCES**

Bank balances were confirmed as follows as of 31 December 2023:

|  |                      |
|--|----------------------|
| Handelsbanken Paying In Account          | £108,886.90          |
| Handelsbanken Savings Account            | £3,449,505.09        |
| HSBC Current Account                     | £4.88                |
| HSBC Deposit Account                     | £3.67                |
| NatWest Special Interest Bearing Account | £9.70                |
| <b>TOTAL</b>                             | <b>£3,558,410.24</b> |

## 6. BUDGET MONITORING/BANK RECONCILIATION

**RECEIVED (Appendix 3 & 3a)** Quarter 3 budget monitoring report and documents for 2023-2024.

**RECEIVED (Appendix 3b)** Quarter 3 budget forecast for 2023-2024.

**RECEIVED (Appendix 3c)** Quarter 3 bank reconciliation documents for 2023-2024.

The Clerk displayed the budget monitoring report on screen. The following current identified overspends in section 3.2 were highlighted as follows:

- Code 5004: Rushenden Pumping Station (£1,522) This was an unbudgeted item due to lack of knowledge around energy costs following completion.
- Codes 5002 - Harty Pumping Station (£891), this overspend is due to increased energy prices.
- Code 5005 – Leysdown Pumping Station (£781) this overspend is due to removal of motor and teardown which was not budgeted.
- Code 5010 – Twyford Pump Station (£1,362) this overspend is due to increased energy prices, we have now increased the budget for 2024/25.
- Code 5008 – Heavy Plant Purchase (£7,792) – this overspend is due to both tractors needing weights fitted to stop tipping, this was agreed by the finance committee and was a one-off purchase.
- Code 7009: Benenden Health (£929) due to an increase in the size of the team and under budgeted for 2023/24.
- Code 7203: Security Depot (£500) This overspend is due to a callout needed and a replacement part.
- Code 7400: Travelling (£103). Underbudgeted. Will increase budget for 2024/25.
- Code 7407: Board Expenses and Welfare (£2,106) No Budget this year, overspend is due to KM Retirement which will not need to be budgeted in 2024/25.
- Code 7803 – Premises Office Expenses (£873) – This overspend is due to a leak in First Floor roof – as a contingency plan we have increased budget for 2024/25.
- Code 7804: Premises Expenses - Depot (£528). This overspend was due to a leak in the depot roof. This budget has also been increased for 2024/25.

The Clerk confirmed that the maintenance budget has now been increased for the depot and office for next year.

The projected budget overspends were highlighted as follows:

- Code 5201: Gasoil (£3,417). This is reflective of increased fuel costs – Increased in 2024/25.
- Code 7003 Staff Salaries (£2,395) and Code 7005 Staff Pension (£929) 2024/25 salaries have been calculated and are in budget for the next year.
- Code 7104 and 8204 (£1,180) Insurance. Budget has been increased for 2024/25.
- Code 7402: Heavy Plant Insurance (£1,623). This is due to change of Tractors and also underestimate on 2023/24 Budget.
- Code 7407: Board Expenses and Welfare (£2,599) No Budget this year, overspend is due to KM Retirement which will not need to be budgeted in 2024/25.
- Code 8201: Subscriptions (£1,458) Due to budget underestimation.

G Fulton asked what the 8201 subscriptions covered.

The Clerk confirmed this was the ADA subscription where we had set the budget before ADA had increased their fees.

G Etheridge asked if the overspends on codes 7803 and 7804 had been because we did not want to claim via insurance.

The Clerk confirmed that was the case and some of the work wasn't claimable via insurance as it was classed as wear and tear.

G Fulton asked about 7408 biodiversity, overspend of £15,356.95 and queried the zero-budget amount.

The Clerk explained that these costs were for an ecological survey on watercourse 3A (Scrapsgate, Scocles Road), desk study for 2023 survey season (baseline data) and the survey costs and water management sheets. The confirmed this would be coming out the ecological survey precept pot rather than the budget and she will make sure this is reflected when we come to do the end of year accounts.

The Clerk moved onto budget forecasting and confirmed that our underspends and overspends would cancel each other out, so we would not be going over budget.

G Etheridge raised 7700 Plant and Hire code and queried the zero amount.

The Clerk confirmed that when she joined two codes were being used for subcontractors, so this is now all under code 5003 Channel Maintenance.

G Etheridge suggested that we remove code 7700 from future budgeting reports.

The Clerk confirmed that will be actioned.

S Mair asked for confirmation of the predicted under budget expected at the end of the year.

**Action** – Clerk to provide end of year projected figures.

On a proposition by S Mair seconded by G Etheridge it was **AGREED** that the Committee noted the Q3 budget monitoring to date including estimated underspends and overspends and agree in principle the projected overspends in principle to end March 2024.

On a proposition by S Mair seconded by G Etheridge it was **AGREED** that the Committee noted the expected budget position and balances expected at the end of the financial year.

On a proposition by S Mair seconded by P Marchington it was **AGREED** to confirm approval of Quarter 3 bank reconciliation documents for 2023-2024.

## 7. HARTY & LEYSDOWN PUMP REPLACEMENT

The Clerk confirmed that the pumps had now been purchased at a cost of around £90,000 each and a total of £592,000 has recently been paid which includes the mechanical engineering and pump payments. She confirmed she is liaising with Swale BC regarding the permitted development certificate, the ecological consents are in place, we have agreed with RSPB to use the compound, Stantec are currently engaging with contractors for the civils element, and they are going out to tender shortly and will be engaging with 3 contractors.

G Etheridge asked if there would be an opening ceremony for the new pumps when that point is reached.

The Clerk thought that was a good idea and said she would also organise a visit during construction.

## 8. DRAINAGE RATES COLLECTION POLICY

**RECEIVED (Appendix 4)** new Drainage Rates Collection Policy.

The Clerk confirmed that there was already a debt policy in place, however, this didn't cover all aspects required and this policy would replace that.

The Clerk gave a summary of the new policy and asked Members what they thought about point 4.6 – offering a discount for early payment to help prevent debtors. She explained that the WLMA offers a 2.5% discount and while she thought 2.5% might be a bit high for us, she asked what Members thought about this idea in general.

G Fulton commented that for WLMA this would be more beneficial as they are more reliant on the landowner's contributions due to their rural location.

The Chairman thought that there should be a penalty or interest applied instead to prevent debtors if payments weren't received by a certain date.

It was agreed to remove the offering discount section from the policy.

The Clerk asked Members for their thoughts on point 4.7 – ratepayers with rates less than £10.

The Chairman suggested putting a minimum charge in place.

G Etheridge suggested calculating our admin costs before deciding on a minimum charge.

On a proposition by S Mair seconded by G Etheridge it was **AGREED** that we should analyse the cost to generate a rates bill to then determine a minimum bill charge.

**Action** – The Clerk to analyse the cost to generate a rates bill and investigate a minimum charge.

The Clerk confirmed that this policy would still need to be taken to the main Board for approval of the policy at the next Board meeting in June.

G Fulton suggested that information regarding the level of debt and how long those debts have been outstanding be available when this policy is put to the Board for approval.

The Clerk confirmed this would be available.

## **9. ANY OTHER BUSINESS**

### **Replacement of J Lewis on the Finance Committee**

The Chairman asked if we need to fill J Lewis' place on the Finance Committee.

The Clerk confirmed that without J Lewis we still have 3 landowners and 2 councillors on the Committee, which is a good balance.

Members felt that a good time to look at changing/adding Members would be if the LMIDB and NKMIDB Boards amalgamate.

## **10. DATE OF NEXT MEETING**

The date of the next/Q3 Finance meeting was confirmed for Monday 10 June 2024 at 11am, which will be followed by a Board Meeting at 1pm.

## **11. PRIVATE & CONFIDENTIAL MATTERS**

Private and confidential matters were discussed and recorded separately.

## **12. CLOSURE**

There being no further business the Chairman thanked Members for their attendance and declared the meeting closed at 13.20.