

LOWER MEDWAY INTERNAL DRAINAGE BOARD



**MINUTES OF A MEETING OF THE FINANCE COMMITTEE
HELD AT 13 CONQUEROR COURT, SITTINGBOURNE
ON MONDAY 30 JANUARY 2023 AT 12PM**

Members of the Committee Present

Chairman: J Mair
Cllr G Etheridge (remotely)
G Fulton
J Lewis
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.

2. ITEMS OF INTEREST DECLARATION

None of the Members present declared a pecuniary and/or non-pecuniary interest in any of the items to be discussed on the Agenda.

3. MINUTES

RECEIVED (Appendix 1) the Minutes of the Finance Committee held on 17 October 2022.

These minutes were circulated to all Finance Committee Members via email on 8 November 2022 with a request for any amendments to be advised by 18 November 2022. They were then included with the full Board papers 28 November 2022 and added to the website.

It was **AGREED** that the Minutes of 17 October 2022 were correctly recorded and should be considered as approved.

4. ACTION LIST & MATTERS ARISING FROM PREVIOUS MINUTES

RECEIVED (Appendix 2) a copy of the Action List of the Board held on 17 October 2022.

The Clerk talked through the outstanding items from June 2022 and updated Members as follows:

Investment and IT Policies - will be put in place this calendar year.

Transparency Code – will be put in place for next financial year.

Flailbot - leasing option has not been successful. We will work with workforce to provide evidence base and will revisit this at a later date.

The Chairman asked if there were any questions.

No questions asked.

5. BANK BALANCES

Bank balances were confirmed as follows:

	<u>Date</u>	<u>Balance</u>
Handelsbanken Paying In Account	20 January 2023	£189,678.77
Handelsbanken Savings Account (Plant Only)	20 January 2023	£2,309,766.43
HSBC Current Account	20 January 2023	£4.88
HSBC Deposit Account	20 January 2023	£3.67
NatWest Special Interest Bearing Account	20 January 2023	£9.67
TOTAL		£2,499,463.42

The Clerk confirmed that the date for the bank balances on her report should all be 20 January 2023 and not as stated.

G Fulton asked about the opening of 2 additional savings accounts previously discussed.

The Clerk confirmed that she had not done any work on investment at all yet and this will be looked at shortly along with the Investment Policy.

S Mair asked if we were now receiving interest?

The Clerk confirmed we were but couldn't remember of the top of her head the rate being received.

S Mair said that he had agreed with Handelsbanken that we should be receiving c. 1.65% on all accounts not just savings.

The Finance Officer confirmed that interest received so far on the savings account was around £650 a month.

Action - The Clerk confirmed she will check the interest rate being received.

Action - S Mair confirmed he will contact Handelsbanken to make sure interest is being received on all accounts, not just savings.

The Clerk confirmed that she will report back to the Board on investments in general. She said that she will be exploring the options of opening additional savings accounts, and also looking at low risk investment options as she has some advice from ADA that she can look at regarding this.

6. BUDGET MONITORING

RECEIVED (Appendix 3, 3a & 3b) Quarter 3 budget monitoring documents.

The Clerk displayed the budget monitoring report on screen, highlighting the budget variances sections and budget savings sections in particular.

The Clerk displayed the budget monitoring spreadsheet on screen, highlighting the following overspends and reasons as follows:

- Channel maintenance overspend £30,345.31 - this can be offset with the £20,000 from the plant and drivers code, and the emergency pumps purchase was agreed to be funded from reserves. The actual overspend is not as big as it looks and is actually £21,740.42 taking into both aspects into consideration.
- Twyford Pumping Station overspend £3,052.98 – due to electricity meter being changed to half hourly meter and this means our estimates will also be out for 2023-24 and this will be reported on in the Quarter 1 Finance meeting, along with corrected estimates for Bells Pumping Station.
- Heating and Lighting £2,495.73 – as reported previously.
- Vehicles Repairs and Servicing £4,435.22 – this wasn't budgeted for.
- Other items not budgeted – ADA fees, Chairman fees and audit fees.

The Clerk asked if there were any questions?

G Fulton asked what the overspend for channel maintenance was for.

The Clerk confirmed this was due to getting more work done, including watercourses that have not been touched for years which is really positive.

G Fulton commented that most of the overspend items related to items not budgeted for.

The Clerk confirmed this and said that the Finance Officer and herself have taken this into account for next year.

S Mair asked about the increase for Benenden Healthcare.

The Clerk confirmed this was because of staff growth.

J Lewis raised the £11,476.25 overspend in health and safety, and asked was this due to the purchasing of the defibrillators?

The Clerk confirmed it was for the defibrillators and HAVS monitoring.

G Fulton asked about the overspend of £8,770.21 for subscriptions.

The Clerk confirmed this was for the ADA subscription that wasn't budgeted for.

The Clerk highlighted the budget savings total of £117,179.21 for staff/workmen costs which was due to restructure of the team, which offsets some of our over expenditure. She confirmed on the current trajectory we have estimated that we should meet 86% of the required general reserve. She said this has gone down since she last reported, and this is because we have taken the emergency pumps out and allocated some funding into different pots of money, including Surface Water Development Charges which had not priorly been accounted for. She displayed the Reserves Funds Breakdown and Forecast Q3 2022-23 document on screen which demonstrated this.

On a proposition by S Mair seconded by G Fulton, it was **AGREED** in principle the projected overspends to the end of March 2023.

All Members were in favour.

S Mair thanked the Clerk and Finance Officer for producing the budget monitoring spreadsheet and reserves funds breakdown and forecast which now makes things very clear.

The Clerk requested that the Finance Committee note the expected budget position and balances at the end of the financial year.

The Finance Committee noted this.

7. HARTY & LEYSDOWN PUMP REPLACEMENT

The Clerk confirmed that Stantec have been instructed to progress the design phase of the replacement pumps and they are looking to complete the design in late spring. Concurrent to that, she said she is applying for a Public Works Loan to gain approval in principle for the funds for the construction phase. She confirmed there is another funding stream that could potentially become available from DEFRA which is the Asset Replacement Fund, however the criteria for that funding is to be confirmed.

The Chairman asked how long the turnaround for a Public Works Loan usually is?

The Clerk confirmed the process is usually pretty quick, however, she wanted to have the approval in principle whilst she looks into the Asset Replacement Fund and if this is not an option for us, we will proceed with the Public Works Loan.

8. ANY OTHER BUSINESS

Archiving of Historic Bound Minutes

The Clerk explained that we have looked into getting the historic minutes scanned and archived which is going to cost around £2,500. The Clerk explained that this is not a budgeted item and therefore would be funded from our reserves.

Members discussed this.

G Fulton suggested having a display copy available in the office.

On a proposition by G Etheridge seconded by G Fulton, it was **AGREED** to go ahead with the scanning and archiving of historic Board minutes.

All Members were in favour.

Action - look into display option in the office for historic minutes.

Works Manager Vehicle

The Clerk explained that the Works Manager has approached her with a proposal to sell his current truck and to replace it with a less expensive 4 x 4 vehicle, that better suits his purposes.

The Clerk asked the Committee for approval to go ahead with either a leasing or purchase option on the basis that this would not cost the Board any more money than it is now.

The Committee discussed the proposal and the vehicle itself.

J Lewis and S Mair both said that it would be their preference that we own it rather than leasing a vehicle which comes with its own complications.

On a proposition by S Mair seconded by G Etheridge, it was **AGREED** to replace the Works Manager's current vehicle with the purchase of a Dacia Duster or similar at no extra cost to the Board.

All Members were in favour.

Twyford Pumping Station

J Lewis asked if we were charging Southern Water for getting rid of their water now we have the new Twyford Pumping Station in place.

The Clerk confirmed that we aren't able to charge Southern Water for any existing flow into the system but for any new developments they would be subject to the surface water development contribution as per our byelaws.

Coastal Management Plans

J Lewis asked if we were going to adopt the Dutch attitude with regards to coastal management plans and said we discussed this in a previous Board meeting and asked for an update.

The Clerk confirmed that we don't take the lead as an IDB on coastal management/shoreline management plans, and this sits with the Environment Agency who have strategic overview. She confirmed her involvement as the Vice Chair of the South East Coastal Committee is to lead on the refresh process for the Medway and Swale Shoreline Management Plan. The Clerk said that she agreed in terms with different approaches that we as a country could look into with regards to shoreline management, and that we could learn a lot from the Dutch approach.

G Fulton said that one way we do have an influence is via the PSCA, should the EA have work the IDB can head up and pass to the landowner to do.

The Clerk asked what the IDBs involvement was with those works previously.

G Fulton confirmed that the LMIDB were the Principal Contractor to permit the EA to contract to landowners. He also confirmed that the LMIDB put in place the health and safety side of things and this document is already in place for future use.

S Mair confirmed that the current Works Manager oversaw this with the previous Works Manager, and he would have some knowledge regarding this.

The Clerk confirmed that a meeting took place with the Chairman, Vice Chairman and herself with the EA, and they have agreed the allocation of the precept to look at some of the works and projects required under the Medway Estuary Swale Strategy which is the strategy to implement the shoreline management plan so there may be scope to support similar works in the future depending on resource

Action – The Clerk to speak to Ian Nunn from the EA to ascertain if there is scope for further PSCA work with the EA.

The Clerk added that she is working very closely with the RSPB to develop a project scope for the NKMIDB, looking specifically at how we can future proof the marshes for the environment and landowners by considering how much water we might have on the marshes in 100 years' time, and how best we manage that to gain the most value from it. She said the funding for that is uncertain at the moment and that she was working with RSPB to come up with a project scope. She explained the reason she mentions this is there may be scope to undertake a similar project across the Lower Medway District to look at the viability of freshwater sites identified in the Medway Estuary and Swale Strategy as this may impact the approach to shoreline management.

9. DATE OF NEXT MEETING

The date of the next Finance meeting was confirmed for Monday 12 June at the earlier time of 11.00am and this will be followed by a full Board Meeting.

10. PRIVATE & CONFIDENTIAL MATTERS

RECEIVED (Appendix 4 & 4a)

Private and confidential matters were discussed and recorded separately.

11. CLOSURE

There being no further business the Chairman thanked Members for their attendance and declared the meeting closed at 2.06pm.