MINUTES OF THE MEETING of the **FINANCE & RISK COMMITTEE**
held at the **Board's Offices, 13 Conqueror Court, Sittingbourne**
on **Monday 20 July 2026** at **1pm**

Members of the Committee Present

Chairman: P Marchington
H Browne
G Fulton - remotely

In attendance

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

1. APOLOGIES FOR ABSENCE

Apologies were received from G Etheridge, J Mair and S Mair.

In J Mair's absence P Marchington agreed to chair the meeting.

2. ITEMS OF INTEREST DECLARATION

There was nothing to declare on this occasion.

3. MINUTES

The 26 January 2026 Lower Medway IDB minutes were approved at the 15 June 2026 Board meeting and Quarter 4/EOY Finance items for Lower Medway IDB and North Kent Marshes IDB were included in the same meeting.

4. ACTION LIST & MATTERS ARISING FROM PREVIOUS MINUTES

There were no new or outstanding actions since the previous report.

5. BANK BALANCES

Bank balances were confirmed as follows as of 30 June 2026:

Handelsbanken Paying In Account	£93,706.25
Handelsbanken NKM Current Account	£237,479.37
Handelsbanken Savings Account	£3,637,074.50
HSBC Current Account	£4.88
HSBC Deposit Account	£3.67
NatWest Special Interest-Bearing Account	£9.70
CCLA – Public Sector Savings Account	£1,065,224.63
Total	**£5,033,503.00**

6. DEBTORS

The Clerk clarified that the debts written off at Quarter 1 amounted to £2,042.05 for the Lower Medway IDB and £713.87 for the North Kent Marshes IDB. A breakdown of the accounts was displayed on screen and noted that the write-offs related to unregistered land, land with pending Land Registry registrations, and one account associated with an untraceable business.

7. BUDGET MONITORING/BANK RECONCILIATION

RECEIVED (Appendix 1) Quarter 1 budget monitoring spreadsheet for 2026-2027.

RECEIVED (Appendix 1a) Quarter 1 bank reconciliation summary for 2026-2027.

G Fulton noted that approximately half of the budget allocated for Bells Pump Station had already been spent.

The Clerk explained that this was due to the anticipated purchase of equipment.

The Committee noted the Quarter 1 budget monitoring for 2026-2027.

It was **RESOLVED** that the Quarter 1 bank reconciliations for 2026-2027 be approved.
(Proposed by H Browne; Seconded by P Marchington; carried unanimously.)

8. ELECTRICITY CONTRACTS – NEW REGULATORY CHARGES

A breakdown of the additional electricity costs for the pump stations was displayed on screen.

The Committee noted that, from 3 August 2026, new government-mandated electricity charges, comprising Transmission Network Use of System (TNUoS) charges and the Nuclear Regulated Asset Base (RAB) Levy, will apply to the three pump station electricity accounts. The additional cost is estimated at £2,446 per annum across the 3 sites, with approximately £1,630 falling within the remainder of the 2026–27 financial year. As a result, the revised electricity budget for 2026–27 will increase to approximately £35,600.

9. PROJECT UPDATE

RECEIVED (Appendix 2) Project Tracker as of July 2026.

The Clerk confirmed that an update on cumulative project expenditure will be available for future meetings and provided progress updates on the following projects:

Wise Use of Water

The Committee noted that the hydrological assessment for the Hoo Peninsula is progressing, with the draft report completed and stakeholder engagement due to commence with landowners and partner organisations. Work has also commenced on the Isle of Sheppey and Swale Estuary phase of the project, with initial outputs expected by the end of the calendar year.

Elverton Sluice

The Committee noted that the initial design had been completed and the construction contract was out to tender. Members were advised that the project programme remains subject to the lead-in times for specialist equipment, detailed design, and potential weather-related delays.

Teynham Main Bridge

The Committee noted that the bridge installation had been completed successfully, improving operational access and efficiency within the area. In accordance with a request made at the previous meeting, photographs of the completed bridge will be circulated to Members.

The Clerk confirmed that business cases for future asset projects would be presented to the November Finance Committee to inform the development of the 2027–2028 budget, with recommendations to be submitted to the December Board meeting for approval.

10. ALLOCATION OF BIODIVERSITY BUDGET UNDERSPEND FOR HABITAT ENHANCEMENT PROJECTS

RECEIVED (Appendix 3) Allocation of Biodiversity Budget Underspend Report**.**

The Clerk advised that an approved biodiversity project had not progressed as anticipated, resulting in a forecast underspend of approximately £30,000 within the biodiversity budget. Members were informed that the proposed biological control method was subsequently found to be unsuitable for the species of Crassula present within the Board's district. The Committee therefore considered proposals to utilise part of the biodiversity budget underspend to deliver alternative biodiversity enhancement projects.

The Committee noted that officers had identified potential opportunities for wetland habitat enhancement in the Lower Stoke and Wouldham areas, which align with the Board's Biodiversity Action Plan and the Kent & Medway Local Nature Recovery Strategy.

Members also discussed the possibility of installing owl boxes at Bells Pump Station as a biodiversity enhancement measure. It was agreed that this would be a positive initiative, and it was suggested that any owls using the boxes could be monitored using Motus tags.

It was **RESOLVED** that:
1. Up to £15,000 be allocated from the biodiversity budget underspend for the delivery of one or more small-scale habitat enhancement projects during the 2026-27 financial year, subject to consultation with Natural England to ensure that the proposed works complement existing agri-environment schemes and represent the most appropriate locations.
2. Funding be provided only where the proposed works demonstrably contribute to the Board's Biodiversity Action Plan, represent value for money and, where appropriate, external funding is unavailable or insufficient.
3. Authority be delegated to the Clerk to approve individual projects and associated expenditure within the approved budget, in accordance with the Board's Financial Regulations and Procurement Rules.
4. Officers report back on the outcomes of the projects and, where appropriate, bring forward proposals for an ongoing Biodiversity Enhancement Programme as part of future budget setting.

(Proposed by H Browne; Seconded by P Marchington; carried unanimously.)

Action: Clerk to consult with Natural England, regarding the proposed habitat enhancement locations before proceeding with any projects under the delegated authority, and to investigate the installation of owl boxes at Bells Pump Station.

11. CORPORATE RISK REGISTER

The Clerk advised Members of two proposed amendments to the Corporate Risk Register, which will be presented for approval at the December Board meeting.

The first amendment relates to Local Government Reorganisation, with the risk to be updated to reflect the latest proposals and the transition to new unitary authority arrangements.

The second proposed amendment concerns Section 57 (Highland Water Contribution) payments from the Environment Agency. Members were advised that revised reporting requirements introduced by the Environment Agency will require more detailed information to support future funding claims, resulting in an increased administrative burden. It was agreed that this should be reflected within the Corporate Risk Register.

G Fulton suggested that a job tracking app could assist with meeting the new reporting requirements and agreed to provide the Clerk with further information.

12. ANY OTHER BUSINESS

Professional Indemnity Insurance

The Clerk advised the Committee that, following a review of the organisation's insurance arrangements, it was necessary to increase the Professional Indemnity Insurance cover from £250,000 to £2 million to meet the requirements of the Environment Agency Public Sector Cooperation Agreement.

The increase in the level of cover will result in the annual premium rising from approximately £2,000 to around £6,000, creating an estimated £4,000 overspend against the insurance budget. Members noted that the additional cost was an unavoidable operational requirement to enable the organisation to continue delivering its engineering and coastal works.

The Committee approved the additional expenditure and authorised the Clerk to instruct the insurer to arrange the revised level of cover.

13. DATE OF NEXT MEETING

The next meetings were confirmed as follows:

- Quarter 2 Finance & Risk Committee – 9 November 2026, 1pm.
- AGM Board Meeting – Monday 7 December, 1pm.
- 2027 meetings will be approved at the 7 December 2026 Board meeting.

The meeting closed at 13.55.