

**Minutes of the Axe Brue Finance and Governance Sub Committee held on Tuesday 02 June 2015 at 10:30hrs at Bradbury House, 33-34 Market Street, Highbridge. Chairman: Mr D Tratt**

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| 1 | <b>Attendance &amp; Apologies for Absence:</b> as per register appended. In the absence of Cllr Gilling, it was agreed that D Tratt Vice-Chairman will take the meeting.   | <b>Action</b>         |
| 2 | <b>Items Additional to the Agenda:</b> none  |                       |
| 3 | <b>Declarations of Interest:</b> None at this time.  |                       |
| 4 | <b>Minutes of the F&amp;G Sub Committee Meeting held on 08 January 2015:</b> (appended) having been previously circulated the Chairman signed the minutes as a true and correct record of the meeting held. Proposed J Fear, Seconded R Adlam, vote: unanimous.  |                       |
| 5 | <b>Matters Arising: Item 12 &amp; 13:</b> S Gee (SMG) advised that he intends to seek competitive tenders for the Boards' banking with a view to obtaining cheaper/free banking, however other factors such as their electronic payments will have to be considered.<br>Direct Debits: it is envisaged that direct debit investigations would be ready for use no later than April 2016.<br>Outstanding Rates: members were advised that £106k rates have been received to date; £78k remains outstanding. Due to changes within the Single Farm Payments Scheme it was agreed that an additional line requesting change of ownership details, is added to the reminder letters. Members agreed that A Dowden (AJD) could assist with rate collection, in person, as necessary upon instruction of C-A Porter, Assistant Clerk.<br>Special Levy: The first of two Special Levy instalments have been received from all local authorities.<br>Item 8 No. 23 Planning Regulations: members were advised that in response to a public consultation on the changes in Planning Regulations a request from ADA and the Boards to be considered a statutory consultee on drainage matters in planning applications has been refused by Defra.  | SMG<br>SMG            |
| 6 | <b>Budgets:</b> (appended) Ref 9, 10 & 11: S Gee (SMG) discussed the Axe Brue and Somerset Drainage Boards Consortium (SDBC) draft accounts 2014/15 and notes to the accounts with members. A full discussion was held on the Axe Brue accounts, this list is not exhaustive: <ul style="list-style-type: none"> <li>• £86k surplus at year end 31 March 2015 due to programmed works not started or uncompleted</li> <li>• Projects and schemes uncompleted due to unavailability of resources i.e. staffing</li> <li>• Strategy required to move forward to ensure work does not backlog</li> <li>• M Wall, A Dowden and L Durston undertaking works to prevent backup of projects</li> <li>• Grant in Aid submission has been made for Health &amp; Safety work in the upper catchment</li> <li>• West Huntspill project does not attain a sufficient partnership score for GIA funding, therefore the project will be undertaken on a phased basis using Board funds only.</li> <li>• Plant &amp; machinery is noted as 25% per annum reducing balance; this is the formula utilised by the Parrett IDB</li> <li>• 2016: Agreed to formation of a Machinery Reserve with payments set as the annual depreciation</li> <li>• Extra work increase is due to the significant increase of workload at North Somerset</li> <li>• The Board's share of the Consortium income increase is due to re-charging works and staff costs</li> <li>• Bradbury House: total costs £575k to be depreciated at 2% per annum, to continue until re-valuation. For insurance purposes Bradbury House is valued at £950k (see account note 7)</li> </ul> <b>Proposed R Adlam, Seconded H Case that 'the Axe Brue 2014/15 year end accounts as submitted are recommended for adoption by the Full Board at its meeting on 09 June 2015.'</b><br><b>Vote: unanimous. RESOLUTION 1</b><br>A full discussion was held on the SDBC accounts, this list is not exhaustive: <ul style="list-style-type: none"> <li>• Salaries and fees indicate £90k over budget due to increase in staff salaries, temporary staff contracts extended, increases to staff costs and pension contributions, the majority of which is recoverable</li> <li>• General expenses: majority of the Chairman's expenses on SRA activities are recoverable from the SRA</li> <li>• Office expenses: includes new telephone system, extended rent of 1 Church Street due to delayed relocation to Bradbury House and necessary updated/replaced computers.</li> <li>• Property expenses: increase due to late relocation, however Alpha House costs may be recoverable via Favourable Conditions funding</li> </ul> <b>Proposed R Adlam, Seconded M Watts that 'the Somerset Drainage Board Consortium 2014/15 year end accounts as submitted are recommended for adoption by the Full Board at its meeting</b> | SMG<br>Res 1<br>RES 2 |

**on 09 June 2015.' Vote: unanimous. RESOLUTION 2**

**Annual Governance Statement:** (appended) SMG discussed eight statements with members advising that it is their responsibility to ensure that there is a sound system of internal control, including the preparation of accounting statements. It was recommended to extend for one year the internal audit contract with South West Audit Partnership (SWAP).

RES 3

**Proposed R Adlam, seconded J Fear 'that the Axe Brue IDB answers Yes to the eight Annual Governance 2014/15 statements confirming that there is a sound system of internal control.'**

SMG

**Vote: unanimous. RESOLUTION 3**

SMG advised that as a result of the last external audit an Internal Control Document is to be formulated.

12:15hrs J Fear left the meeting with apologies to the Chairman

NWS advised that the SRA funding review, in conjunction with DCLG will be available for SRA members 12 June 2015, a wider stakeholder consultation from 22 June. A joint SRA working group meeting will be held on 25 June 2015. This item will be an agenda item for the next F&G meeting.

C-AP

7 **Governance:** Ref 22: banking arrangements – see item 5.

Ref 26: Working on SRA matters has resulted our insurers requiring the Boards to separately insure for each Board whereas previously it had been done through the SDBC. No changes are recommended to the Board's insurance cover at this time.

8 **Policy and Strategy:** (appended) Ref 5 & 27: NWS provided an overview of the Risk Register, at which the following points were discussed (this list is not exhaustive):

- No. 34 Reduced attendance at Board meetings and interest in Board affairs: members were advised that the Parrett IDB is considering Governance of their Board and meetings
- Members' training, for both elected and appointed members, is to be considered
- NWS advised that ADA has offered to assist with inductions/training if required
- Members requested a training session on how the rate and special levy is calculated
- NWS to provide training material to include Environment Agency and Somerset County Council funding arrangements
- No. 23 Changes in Planning Regulations –see item 5

NWS

9 **Any Other Business:** None

10 **Date of next meeting:** Full Board 09 June 2015, 10.30am and Finance & Governance 06 October 2015, 10.30am.

All meetings, unless specified, will be held at the Board offices, Bradbury House, 33-34 Market Street, Highbridge, TA9 3BW.

There being no other business the Chairman thanked members and officers for their time and contributions.  
The meeting was closed at 12:55hrs

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CHAIRMAN

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DATE