

Minutes of the Parrett Board Policy, Finance & Governance Sub Committee Meeting held at Bradbury House, 33-34 Market Street, Highbridge on Tuesday 17 May 2016 at 2.15 pm. Chairman: Mr C Passmore

1	Attendance and Apologies: as per register appended.	Action
2	<p>Items additional to the agenda: N Stevens (NWS) advised that following the restructuring of the Parrett sub-committees, the new Terms of Reference for this sub-committee have resulted in a new layout for the agenda. It has been structured so that all items due to be reviewed at each meeting within the annual cycle are shown, however only those items emboldened will be considered at that meeting. If members wish to raise a matter on one of the other items, in plain type, they are invited to do so.</p> <p>S Gee (SMG) Rates Collection and Banking.</p>	
3	Declarations of Interest: None at this time.	
4	Policy & Strategy	
	Ref. 1 - To consider, monitor, keep under review and make recommendations to the main board on all Board financial policy documents	
	<p>– Procurement policy and procedures: (appended) NWS advised that this policy and procedure document have been produced in accordance with new regulations (2015). Concern was expressed that the Board may use a preferred contractor’s framework which could alienate smaller contractors. NWS advised that it was not the intention to include the use of frameworks within the SDBC at the current levels of turnover or budgets. Members also considered not awarding more than 50% of channel cleaning contracts to any one contractor, where possible, to encourage new and/or smaller contractors to tender for works. NWS advised that the Board has a quality/cost weighting on tenders and that different contractors are invited to tender and will be considered where deemed appropriate. Procurement Procedures Section 7 highlights the use of an approved supplier list using a pre-qualification questionnaire. This process also encourages new contractors to tender for works.</p>	
	<p>Proposed P Maltby, Seconded J Taylor ‘that the Policy, Finance and Governance sub-committee recommends the Full Board at the meeting of 21 June 2016 adopts the Procurement Policy and Procedure document.’ Vote: unanimous RESOLUTION 1</p>	RES 1 Full Bd
	<p>Approval of Financial Regulations: SMG advised that the Financial Regulations had been disseminated at a previous P, F&G meeting; members were requested to bring their copy to this meeting. Finance Regulations were not available, therefore it was agreed to postpone this item to the September 2016 meeting.</p>	Sept 2016
	<p>Preparation of a 5 year Board Plan: NWS advised that the Board does not have a Business Plan (as opposed to a programme of works) , and expressed concern for changes within IDB’s and funding streams nationally that may require other arrangements to be considered within the organisation..</p>	
	Members concurred that any changes should be discussed as one organisation and recommended to meet with the Axe Brue IDB to discuss future expectations.	
	<p>Proposed T Bradford, Seconded D Spicer ‘that the Parrett and Axe Brue IDB’s set up a committee to review a 5 year business plan.’ Vote: unanimous RESOLUTION 2</p>	RES 2 NWS
	It was agreed that officers would make the appropriate arrangements.	
	Ref. 3 - To develop and improve the Board’s governance with reference to national guidance.	
	Ref. 7 - To consider, and report where appropriate, on the financial implications of matters referred to the sub-committee by the Board.	
	Ref. 9 - To keep under review the Board’s Byelaws – Evidence submitted to EFRA –	
	<p>Additional byelaw and removal of main river restriction: (appended) NWS as Chief Executive Officer to the Somerset Drainage Boards Consortium submitted evidence to the EFRA select committee, which includes a proposed change to the Defra model land drainage byelaws, to enable IDBs, and other drainage and flood risk management bodies, to require maintenance of surface water management features in the same way that Byelaw 9 provides for Notices to Cut Vegetation or Section 25 of the Land Drainage Act that provides for the maintenance of flow. It was noted that local authority support for the application would be beneficial.</p>	TB RES 3
	It was agreed that T Bradford would seek endorsement and support of ADA for the Byelaws.	NWS
	<p>Proposed T Bradford, Seconded M Young ‘that the Policy, Finance & Governance sub-committee approves the proposal to EFRA to change the Defra model Land Drainage Byelaws with the inclusion of Maintenance of Drainage Features – Any person having control of any surface water drainage feature in the district/catchment shall use and maintain such drainage feature so as to secure its effective operation. Any person having control of any drainage feature shall, upon the receipt of a notice served on him requiring him to do so, carry out such reasonable and practicable works as are specified in the notice for the purpose of</p>	

returning the runoff quantity, flow and quality from the development to the original design standards within such reasonable time as is specified in the notice.' **Vote: unanimous RESOLUTION 3**

Ref. 10 - To review and monitor the Health and Safety Policy and Procedures.

Ref. 11 - To report to the Full Board on items decided under delegated powers

5 Budgets

Ref. 14 - To monitor and report the performance against budget and to report significant variances to the Board – See ref 16 below

Ref. 15 - To consider, on behalf of the Board, any requests for significant variations to the planned operating budget and to make recommendations accordingly

Ref. 16 - To receive and consider the annual accounts and Audit Commission Annual Return and for recommendation to the Board: Annual accounts and return to year ended 31 March 2016 appended. SMG summarised the accounts and notes to the accounts by advising that the Board has a year-end surplus of approx. £28k, as the Board had anticipated to undertake more works than were actually completed, and many of the schemes were completed under budget. AMG confirmed that all applications to the SRA for payments have been approved and funds received accordingly.

SRA timesheets: NWS advised that neither he nor I Sturdy (IDS) generally timesheet, unless on specific activities, however members have expressed concern for the time being spent on SRA duties, so for a short period they will both timesheet for review purposes. Members agreed that the works of NWS and IDS should not be diminished and that £40k backfill may not be sufficient.

Proposed D Spicer, Seconded J Taylor 'that the Policy, Finance and Governance sub-committee recommends the Full Board at the meeting of 21 June 2016 adopts the Year End accounts as submitted.' **Vote: unanimous RESOLUTION 4**

Annual Return Section 2: SMG advised members of the new style Annual Return, which has been produced to simplify the external audit process for all Local Authorities and Smaller Bodies by having the same form. This however had introduced complications for reporting the Finance Officer which had taken time to overcome.

Proposed Cllr I Dyer, Seconded Cllr Maitland-Walker 'that the Policy, Finance and Governance sub-committee recommends the Full Board at the meeting of 21 June 2016 adopts the Annual Return Section 2 as submitted.' **Vote: unanimous RESOLUTION 5**

Annual Return Section 1 Internal Auditor: SMG advised that South West Audit Partnership (SWAP) had conducted the Internal Audit for 6 years, and undertake audits for a number of IDB's and local authorities. SWAP have provided a written proposal for the provision of internal audit services for the next three years. Members considered the matter and were informed that the rates tendered had not risen.

Proposed P Maltby, Seconded Cllr Maitland-Walker 'that for the purposes of continuity South West Audit Partnership is recommended for appointment as internal auditors to the Board for 15 working days per annum across the Somerset Drainage Board Consortium.' **Vote: unanimous RESOLUTION 6**

Annual Return Section 1 Annual Governance Statement: members acknowledged their responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements by considering each of eight statements and answering Yes to each in turn.

Proposed Cllr I Dyer, Seconded D Spicer 'that the Policy, Finance and Governance sub-committee recommends the Full Board at the meeting of 21 June 2016 approves eight statements on the Annual Return Section 1 to confirm a sound system of internal control including the preparation of the accounting statements to Year End 31 March 2016.' **Vote: unanimous RESOLUTION 7**

Somerset Drainage Boards Consortium accounts to year end 31 March 2016 were noted by members for information purposes.

C Gunn, SWAP, was thanked for his attendance at meetings.

6 Governance

Ref. 23 - To review and recommend to the Board any changes to the Board's Standing Orders and Guidelines – Re-establishing the Board's Governance Review Working Group. Members concurred with a recommendation to re-establish the Governance Review Working Group. The Group will be re-convened in the Autumn to review the format and make-up of the Board.

Ref. 24 - To consider and recommend variations to the electoral areas

Ref. 26 - To monitor and confirm to the Board that funds are used economically, efficiently and effectively

Ref. 28 - To monitor the Board's gathering and management of data and the implementation of the Data Protection Act and the Freedom of Information Act

NWS/
IDS

RES 4

RES 5

RES 6

RES 7

NWS

Ref. 29 - To review and recommend to the Board the Publications Policy relating to the Freedom of Information Act

7 Banking

Ref. 30 - To consider and recommend the appointment of the IDB's Bankers and the investment of reserves, and arrangements for related Fees, Charges and Cash Management and any other matters pertaining to the IDB's banking facilities.

Direct Debit Review: (appended) SMG briefed members on the desire to collect drainage rates by direct debit to halve the annual cost of recovery by withdrawing debit/credit card payment options and reducing cheque and cash receipts. A full discussion was held (this list is not exhaustive):

- Direct debit/electronic banking options would commence from 2017/18
- At least one group of Drainage Boards in Lincolnshire currently recover drainage rates by direct debit
- A Public Relations document should be disseminated to rate payers to explain why this process is being undertaken, to ensure full understanding and encourage acceptance
- Rate payers have the right to refuse direct debit or electronic banking and may continue settlement by alternative payment methods
- If direct debit is accepted on a wide scale, it may reduce administration by one half person per annum which would enable deployment on other financial matters to generate additional income.
- Direct debit acceptance may take several years to gain wide scale acceptance and use.
- There are limitations in internet capabilities throughout the area which may put rate payers off electronic payments.

Proposed P Maltby, Seconded D Spicer 'that direct debit recovery of drainage rates is encouraged by all members of the Policy, Finance & Governance sub-committee by way of the provision of a public relations document to be presented to the Full Board at the meeting on 21 June 2016.' Vote: For 4, Against 2, Abstain 0 RESOLUTION 8

8 Delegated authority

Ref. 31 – For the Chairman and Clerk to sign Section 106 planning and other similar agreements

Ref. 33 – Budgetary and Financial Reporting Procedures

Ref. 34 – **Purchasing Policy & Procedures – Dealt with under ref.1.**

Ref. 35 - Insurance Cover

9 Risk Management

Ref. 36 - To keep under review the risks associated with the business of the IDB and make recommendations to the Board with a view to minimising the impact of the identified risks – (Updated risk assessment appended) NWS provided an overview and advised that the Risk Register is a working document. A full discussion was held with the following points of note:

- No. 6 Board fails to be aware of all its liabilities: The Asset survey review is due as it is now over 5 years old. Some of the review can be undertaken by the Expenditors; water control structures.
- Concern was expressed for the reduced attendance at Board meetings and interest in Board affairs as well as succession of Board members.
- Minehead: Surface Water Management Plan is to be agreed with Somerset County Council to enable joint engineering works and culvert works under the railway line to be undertaken.
- Concern was expressed for the lack of press releases championing the Drainage Board involvement in SRA works.

10 Minutes of the F&G meeting held on 19 January 2016: (appended) having been previously circulated the Chairman signed the minutes as a true and correct record of the meeting held.

11 Matters Arising: None

12 Any Other Business: Review of today's agenda structure: comments received from members:

- With the minutes moved to the end of the agenda, the length of meetings have improved
- The agenda was difficult to read with the emboldened typeface

13 Date of Next Meeting: Full Board - Tuesday 21 June 2016
Policy, Finance & Governance – Tuesday 06 September 2016

D Spicer thanked officers and members for their support and best wishes during his recent illness and recovery. Mr Spicer was warmly welcomed back to the Board.

There being no other business the Chairman thanked members and officers for attending
The meeting closed at 16.30hrs

RES 8
SMG

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CHAIRMAN

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DATE