

Minutes of the Axe Brue Finance and Governance Sub Committee held on Thursday 19 January 2017 at 10:30hrs at Bradbury House, 33-34 Market Street, Highbridge. **Chairman: D Tratt**

The Clerk (NWS) opened the meeting as the outgoing Chairman, Cllr Andrew Gilling (AG), was not present. Wendy Welland (WW) asked for the names of the members of the sub-committee. NWS confirmed that the sub-committee is 13 members, made up as follows - 6 elected members – Alan Franks, Pamela Thorne, David Tratt, Martin Watts, Wendy Welland with 1 vacancy, 5 appointed members – Heather Case, Cllr Andrew Gilling, Cllr Philip Ham, Jessica Healey, Cllr Tom Killen with 2 vacancies. Quorum - 5.
 Cllr Gilling has sent his apologies and is prepared to Chair the sub-committee again if nominated.
 Martin Watts proposed that David Tratt is elected Chairman of the sub-committee. David thanked members for the proposal but declined, he would be prepared to stand as vice Chairman.
 Jeff Fear proposed that David Tratt is Chairman for this meeting. This was supported by all members.
 David Tratt took the Chair and continued with the agenda.

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| 1 | Attendance & Apologies for Absence: as per register appended. Chris Gunn from SWAP would be attending the meeting later. | | Action |
| 2 | Items Additional to the Agenda: none | | |
| 3 | Declarations of Interest: none | | |
| 4 | Appointment of Chairman and Vice Chairman: Nominations for Chairman of the F&G sub-committee to October 2019 - Proposed: Pam Thorne, Seconded: Jessica Healey “that Cllr Andrew Gilling is elected Chairman of the Finance and Governance Sub Committee to 31 October 2019”. 5 for, 0 against. Martin Watts (MW) abstain. Motion Carried RESOLUTION 1
With no other nominations Cllr Gilling was duly elected as Chairman of the sub-committee.
Nominations for Vice-Chairman of the F&G sub-committee to October 2019 - Proposed: Alan Franks, Seconded: Jessica Healey “that David Tratt is elected vice Chairman of the Finance and Governance Sub Committee to 31 October 2019”. All in favour. RESOLUTION 2 | RES 1 | |
| 5 | Minutes of Meeting held on 4 October 2016: to be dealt with later in the meeting. WW expressed concern with this procedure.
Jeff Fear (JF) suggested the minutes are approved to give Chris Gunn more time to arrive.
Proposed: Wendy Welland, Seconded: Jeff Fear “that the minutes of the F&G meeting held on 04 October 2016 are signed as a true and correct record of the meeting held”. All in favour RESOLUTION 3 | RES 2 | |
| 6 | Matters Arising: RA – Item 5 – Employment costs regarding Phil Ham. This will be dealt with at the consortium meeting.
Anthony Dowden (AJD) – Item 10 – how serious is the suggestion of a prize draw. It was agreed to leave it in the minutes.
RA – Item 11 – what was the cost of the display at the Dairy Show? – NWS gave the figures as follows; stand approximately £200, display equipment £600 and printing which can all be reused. JF had attended the show and felt that it served a purpose. 5 members of staff were in attendance. AF suggested a change of position if the event was repeated. Members agreed that attendance at other shows would be useful. DT said it was a good public relations exercise. Iain Sturdy (IDS) stated that the information was also on the Consortium website and social media pages which is a good way of getting in touch with the younger community. | RES 3 | |
| 7 | Budgets
Ref.5 – To receive and consider the proposed SDBC Budget 2017/2018 for recommendation to the Board – appended. Stephen Gee (SMG) explained the figures and would recommend no change in the rate. Due to changes in Board values caused by development there is some redistribution of rates and Special Levy. He also explained that the cost of works in 2016/17 has increased by £10k but this will not affect the rate, only reducing available funds for 2017/18 by this figure.
NWS reported that the EA precept has increased by 2%.
RA commented that fuel prices are rising dramatically along with contractor costs and the Hinkley Point influence, SMG confirmed that he will factor such possible increases into the budget before presenting to Full Board. He added that there is a clause in the maintenance contracts to take into account the rise in fuel costs.
JF queried the funds for favourable conditions. SMG reported that there is unspent grant which may be required for final adjustments however this spend will be factored into the final reports. Current advice from the Agency is that any grant that is not used should be returned. There is approximately £75k left and officers are currently working with the EA to see if they can be used on other schemes. Grant and unused grant drawn down for schemes approved from 1 April 2012 have to be returned. All of the Boards FC schemes were approved prior to that date so the funds should be returned.
WW reported that over the last 12 months TB in Somerset has gone up and the recommendation is | | |

that all contractors entering farms will have to disinfect. It is something that should be budgeted for as contractors will have to use a specific product which could cause price increases.

IDS explained the schemes included within the budget. The need is to prioritise the work. Particularly continuing the support of the Health & Safety projects, phase 3, improving or replacing structures which are either at the end of their life or are unsafe.

We are also looking at work on Knowle Boards, Blackford Tilting Weir, Course Ditch, Godney Outfall, West Rhyne, Westhay Straight Rhyne, tree work in Queens Sedgemoor, culverts in Queens Sedgemoor, a contribution at Tootle Bridge and work at Crannel Farm.

AJD and Matthew Wall (MSW) have recommended an allowance for the replacement of viewing gates. IDS has suggested allowing for 4 gates to be renewed in the year.

All these projects amount to approximately £266k in addition to the carried forward money for Church Road, East Brent and West Rhyne.

IDS identified unstarted schemes and projects where money has been raised in previous years and ring fenced in reserves, these include East and Pitland Rhyne, Eastern Rhyne, railways and road culverts and East Brent diversion and telemetry. If these projects were to be brought forward the funding would be available to carry out the work.

Members need to consider if the projects listed at the end of the report are still required.

RA as a separate item asked for the heating arrangement in the meeting room to be sorted out.

MW queried the channel improvements. IDS advised it is an allowance for a programme of works carried out by Matthew Wall to restore viewed rhynes where profiles had deteriorated badly.

Ref. 6 – Consider draft annual drainage rate and special levy for 2017/18: appended. SMG briefed members on the report with the recommendation to keep the rate as last year.

MW asked for the figure in reserves. SMG circulated the report showing £1075k. £550k is funding raised for schemes not yet carried out, awaiting joint funding from partners or GIA and building funds for expensive projects. There is also £15k in the machinery reserve which AJD is hoping to make use of.

Proposed: Jessica Healey, Seconded: Alan Franks “that the recommendation of the F&G Sub Committee is for 0% increase in the rate. The 2017/18 rate for recommendation of the Full Board is 6.740 in the pound”. 5 for, 1 against (Martin Watts). Motion carried RESOLUTION 4

Ref. 8 - To consider, on behalf of the Board, any requests for significant variations to the planned operating budget and to make recommendations accordingly.

Ref. 10 – To consider and make recommendations on an ongoing basis to the Board concerning the financial viability of the IDB in the short and long term.

8 Governance

a) **SWAP – Special Investigation Rate Setting:** draft report appended. Chris Gunn (CG) apologised for the lateness of the report. The final conclusion is that there is no evidence of fraud, he has reviewed the minutes and figures and is satisfied with all the information. The DRS software used is a much more useful system than the previous VDBAS system. SMG reiterated that DRS enables a much more complete land record to be maintained. At the time that the 2015/16 rate was being set the rating systems were being changed. The figures for the Finance and Governance meeting were produced in December using the VDBAS system, the paperwork for the Full Board was produced in January based on the data in the DRS system.

MW – expressed his dissatisfaction with the report and the lack of detail in the text relating to how the information changed between the F&G meeting and the Full Board meeting. He did not believe this related to changes in going from VDBAS to DRS,

CG felt he had dealt with the matter. MW had asked him to produce the figures. CG again reported the minutes had been checked and this is what is in the report.

RA asked for a correction as he had not put in a complaint. He had recommended that CG looked at the figures as a result of a complaint by MW.

DT reiterated that CG is happy with the boards' procedures. AF said the investigation had been carried out to the best of our ability and is reasonably satisfied.

The meeting agreed that CG should supply MW with further information relating to the build-up of the rate information for both the F&G meeting and the Full Board meeting.

b) **Amalgamation proposal from Parrett IDB:** NWS had attended a Parrett and Consortium meeting where the Parrett Board had expressed an interest in the Parrett and Axe Brue Boards to have a preliminary discussions on amalgamation.

The Clerk had also attended a meeting of the RFCC and presented information about local IDBs and the work they carry out. RFCC members were concerned about the size of the Boards and set a resolution that David Jenkins undertakes discussion with the IDBs about the Board sizes. He suggested that a meeting takes place with Axe Brue and Parrett members.

Some members had expressed concerns regarding the poor representation of local councils at Board

NWS

RES 4

meetings. JH pointed out there were no councillors present today and that council members are not keen to attend.

RA concerned this would change the face of the drainage Board.

AF added there is difficulty in keeping Board members, one Board would mean less meetings, less administration, much more discussion is essential.

JF agreed there would be more benefits and added that ADA are trying to persuade larger Boards to reduce their size. He feels the current system of the Board with 3 catchments covers the area very well.

RA suggested a paper is put to the full Board for discussion and invite a Parrett member initially.

c) Minor amendments to Terms of Reference – Ref 7 from now only May and Sept: NWS asked for a minor amendment that the budget review is carried out in May and September. All agreed.

9 **Policy & Strategy:**

Ref. 2 – To receive and consider, annually, a 5 year estimate of income, expenditure and capital commitments for recommendation to the Board.

Ref. 4 – To consider and report on, where appropriate, the financial implications of matter referred to the sub-committee by the Board.

a) Update on introduction of Direct Debit rate collection: SMG had put an application into BACS for a SUN; user number to enable the Direct Debit process to be carried out. The preferred system to use will be cloud based which removes the need for costly software updates. The process is on schedule for April this year. It is hoped to reduce the number of payments received by debit or credit card, as this proves very costly.

SMG went on to report on the banking arrangements as Natwest have changed the structure of the accounts. He is looking at other banks to try and find a better rate of interest, to date he has looked at Lloyds, Santander and Handelsbanken.

b) Charging for pre-application development advice: appended. IDS explained the paper which has also been used at North Somerset Levels IDB. The NSLIDB has already resolved to take this approach.

12.30 Wendy Welland left the meeting

IDS would recommend the paper and the approach and asked that it is shared with the local authorities within the Axe Brue and Parrett areas and to implement it is as soon as possible.

Proposed: Jessica Healey, Seconded: Alan Franks "that the F&G sub-committee recommends approval and adoption of the Standing Advice from Somerset Drainage Boards Consortium to Planning Authorities and Developers, Objectives, Requirements, Standards and Fees at the full Board meeting of 31 January 2017". All in favour RESOLUTION 5

RES 5

c) Tender strategies for annual rhyne works: NWS had circulated a section from the Procurement Policy Procedures document – appended. He circulated a further information sheet which is the procedure if the OJEU procedures needed to be followed. This would occur for services over £174k or £4.4M for works. The Clerk identified that if annual Rhyne works were considered to be services then OJEU procedure would need to be followed, however if they were considered works then our expenditure would be below the threshold for compliance. The Clerk advised members that he had identified within government guidance that Dredging is considered to be works and would consider the removal of weed and silt from a channel can be considered as dredging. He proposes to adopt this categorization and sought members approval for this decision.

RES 6

Proposed: Jeff Fear, Seconded: Martin Watts "that the F&G sub-committee accepts the Clerk's interpretation that annual rhyne works are dredging and that the Board does not need to adopt the OJEU procedure for works under £4.4M". All in favour RESOLUTION 6

10 **Special Delegated Authority:**

Ref 24 – For the Chairman and Clerk to sign Section 106 planning and other similar agreements. None to report.

11 **Risk Management**

Ref. 28 - 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:

NWS summarised the amendments shown in red on the appended sheet and highlighted the following: The rise in costs in connection with Hinkley Point and the highway culverts which are currently being inspected (funded by the SRA).

One trainee is in place but a second Trainee Technician is not available as yet.

Item 31 – SRA – Sarah Diacono is proposing to change the arrangements for reimbursing Board costs on SRA activities. She is proposing to withdraw the system of backfill for engineer's time and charge the time to specific projects. There was some debate as to whether the revised arrangements would cover the existing contribution for NWS and IDS time. SMG had calculated their time spent to be approximately 15 hours per week between them to be reimbursed for £40k. Currently this is occurring.

12 **Any Other Business:** members requested a meeting regarding the board's fencing policy.

NWS

13 **Date of next meeting:**

Full Board	Tuesday 31 January 2017, 10.30am
Axe Tenders Meeting	Tuesday 21 March 2017, 10.30am
Finance & Governance	Tuesday 23 May 2017, 10.30am

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

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CHAIRMAN

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DATE