

Minutes of the Parrett Board Policy, Finance & Governance Sub Committee Meeting held at Bradbury House, 33-34 Market Street, Highbridge on Tuesday 17 January 2017 at 2.15 pm.

Chairman: Mr C Passmore

The Chairman welcomed members to the meeting and asked for a minutes silence in remembrance of Nick Lyness from the Environment Agency who had recently passed away.

1 Attendance and Apologies: as per register appended.	Action
2 Items additional to the agenda: John Lang (JL) Standing Orders – Proxy voting. Nick Stevens (NWS) had information which he would provide later in the meeting	
3 Declarations of Interest: none	
4 Minutes of the P F & G meeting held on 6 September 2016: Brenda Maitland-Walker (BM-W) - item 4a) – felt there was confusion as this was discussed at the full meeting and not the meeting of the 6 September 2016. NWS to check recording. Tony Bradford (TB) - had asked that in future the minutes are issued within 10 days, this needs to be actioned JL – Item 5 – he did not vote for 2 engineers and asked for his name to be minuted as being against the proposal BMW – agreed that minutes should be issued more quickly. She was also unsure about item 5 regarding the excerpt from the SDBC Management meeting and believed that this item was enclosure 1 and she had not received it.	
Proposed: Peter Maltby (PM) seconded: Tony Bradford “that draft minutes are supplied to members within 14 days of all meetings held” all in favour RESOLUTION 1	RES 1
JL asked what the impact on staff would be. PM had previously discussed the matter with Carrie-Anne Porter (C-AP) and agreed this would be possible. NWS also agreed but warned that other work may suffer as a result. BMW suggested that the draft minutes are forwarded by email. <i>2.35pm - Will Barnard joined the meeting</i>	C-AP
TB reported that at a recent meeting of the SRA Sarah Diacono had mentioned that the recharge to the SRA for board costs would be removed and the hours worked by officers would be charged to the project in question as per the arrangements with other partners. Members discussed the proposal at length. SMG reported that approximately 2 days per week is spent on SRA work jointly by NWS and Iain Sturdy (IDS). TB asked for a meeting to be convened with the chairman and vice chairman of the two boards to discuss the SRA and to report back to the next board meeting. More discussion took place regarding the SRA work.	
The Chairman asked members to return to the agenda and to approve the minutes of the previous meeting. There was still confusion regarding item 4a), NWS will refer to the recording to check the section in question and will remove it from the minutes if necessary. The minutes will have to be reissued after the amendment. The excerpt from the SDBC management meeting of 03 February 2015 will be removed. CP asked for clarification that if Rob Kidson was employed after the date of the excerpt then he counts as one of the engineers in question. NWS will also check this on the recording.	
The Chairman proposed the minutes are approved subject to the clarification of the points raised above. All in favour.	
5 Matters Arising: BM-W raised the following points: Item 4a) – joint committee. NWS reported this is still ongoing. Item 12.2 Minehead – IDS reported that routine channel cleaning, pond and additional cleaning as well as handwork on riparian lengths are now complete. Work on the Moat by Bourne Leisure’s contractors, Kingcombe Aquacare, is almost complete although some pollution problem need to be dealt with. The investigations of improvement works in the area has shown that the culvert modelling needs to be reviewed.	
Morrison’s legal team have accepted liability to maintain the channel on their land and the contractor has been in touch with IDS. The culverts under the railway have not been cleared, BM-W asked for a letter to be sent to the railway. PM asked for comments on the notes of the budget item.	IDS
Item 12.3 – update – Brian Watkis (Board Solicitor) is working on this matter, as there is an issue with liability and risk sharing for work. The SRA is trying to establish how this could be made to work in a MoU or Agreement.	
6 Approval of Revised Agenda: NWS had changed the agenda for the P,F&G meetings so that they follow the terms of reference. Members agreed to this format.	

7 **Budgets:**

Ref. 12 - Consider proposed 2017/18 budget and financial position against budget- appended:

SMG explained the reports he had produced with the proposal to keep the penny rate the same. There are concerns regarding the cost of outsourced maintenance as Hinkley Point are paying higher wages which could attract contractors and their staff away from the IDB works programme. The tender process may have to change to take this into consideration. TB suggested that the tenders are sent out for 3 years to gain a clearer picture and to see what can be done in house. CP reminded members that there is a figure of £150k in the machinery fund so it needs to be decided whether to continue with the work force. It was agreed to tender for 3 years.

A figure had been included in the budget for a replacement vehicle for the Technical Supervisor. Members felt it was not justifiable to supply a vehicle and suggested the supervisor use his own. A print out of the estimate of reserves was circulated – appended. SMG explained that the Board would find it increasingly difficult to carry out schemes if the reserves were to be used and the increase in the rate is kept at 0%.

JL asked that the work on Pawlett Hams is carried out as a matter of urgency and where would the underspent figures included on the budget come from. IDS informed members that the figures are from incomplete schemes such as telemetry, Chedzoy culverts, the Bridgwater and Taunton Canal at Fordgate and a culvert at Knapp Bridge Drove culvert.

Malcolm Young (MY) reiterated that the work on Pawlett Hams needs to be completed as landowners are becoming increasingly concerned.

IDS confirmed the matter is still being discussed with the EA. An amount of approximately £200,000 needs to be allowed for the scheme. TB would like a letter to all landowners/ratepayers in the area warning of a potential water shortage. It is hoped that work will be in progress early summer.

Assistance is being sought with grants and funding which could be in the region of 85% of the cost.

4.15pm Peter Maltby left the meeting

Members again queried time spent time on SRA work. IDS explained that he and NWS attend the meetings to represent the Board making sure that the best programmes of work and the best outcomes occur. JL asked whether a more junior engineer could these meetings. IDS and NWS believed that only senior officers have to attend the meetings, for instance if they had not attended the works programming meeting this week the dredging budget would have been cut, this has not happened. If the officers had not been at that meeting 4 or 5 other lines within the programme which the IDB wish to be included within the SRA programme would not have been included. BM-W agreed that it is very important that the IDB is represented by a senior engineer at these meetings as they are very well qualified and the knowledge of the IDB engineers drives the work forward. TB feels that the advice of the engineers is ignored.

CP asked for members to return to the decision on the rate for 2017/18. TB does not want to keep it at 0%.

JL was concerned that no appointed members had attended the meeting and thought the budget prepared by SG was well set and he would like to accept the 0% change.

Proposed: John Lang, Seconded: Brenda Maitland-Walker “that the recommendation of this committee is that the Parrett IDB penny rate is kept at the current level of 6.445p in the pound”

Second proposal (the amendment) – Proposed: Tony Bradford, Seconded: Will Barnard “that the recommendation of this committee is that the Parrett IDB penny rate is raised by 1%”

Members voted on the amendment – 5 voted for 2 against. This recommendation to be taken to the full board. RESOLUTION 2

Ref. 13 - Consider draft annual drainage rate and special levy 2017/18:

Ref. 14 – To monitor and report the performance against budget and to report significant variances to the Board. No comments.

Ref. 15 – To consider, on behalf of the Board, any requests for significant variations to the planned operating budget. No comments.

8 **Policy & Strategy:**

Ref 1 - To consider, monitor, keep under review and make recommendations to the main Board on all financial Board policy documents:

Adoption of standing advice to planning authorities and developers (Enc 4): appended. NWS explained the information on the paper which needs to be taken to the full board for approval. JL agreed that it is an exceptional paper and wanted to ensure that all councils were involved in the planning and consenting procedure. Julian Taylor (JT) asked to ensure that developers outside the Board’s area are aware of this as run off could run into the Board’s area. IDS pointed out that this is all included within the paper.

Proposed: John Lang, Seconded: Julian Taylor “that the recommendation of the sub-committee is that the Full Board adopts the Development Standing Advice paper as submitted” **All in favour RESOLUTION 3**

RES 2

RES 3

Tender strategies for annual rhyne works (Enc 5): appended. NWS had supplied members with an extract from the Board's adopted Procurement Procedures which requires that procurement over £25k is tendered. Above £25k contracts are subject to the new Public Contracts Regs 2015 and the OJEU limits of £173k for goods and services and £4.32M for works before OJEU procedures are required. Definitions of works and services are set out within EU documentation. If annual Rhyne works tenders were considered to fall within the CPV classification of Dredging then the Works limit of £4.32M applies. The Clerk circulated a further information sheet on OJEU procedures for contract awards over the OJEU thresholds.

The Clerk sought approval from members that the Board's annual rhyne works programme should be considered as dredging within the CPV codes and therefore come under the £4.32M threshold not the £173K threshold.

Proposed: John Lang, Seconded: Malcolm Young "that the sub-committee accepts the Clerks interpretation of rhyne works as dredging within the Tender Strategy documents". This was accepted unanimously RESOLUTION 4

Update on introduction of Direct Debit collection: SMG updated members. At present waiting for a SUN which is a Service User Number which is required to collect the rates by Direct Debit. Software needed to collect the data from the rating system and upload to the banking system. This can be cloud or office based and should be in place before 31 March 2017. It will be recommended to all ratepayers that the Direct Debit system is used as it is a much easier and economical way of collecting funds. Debit and credit card payments should cease as it is a very expensive way of collecting funds. An indemnity has been supplied to the bank in the event of any claim against the bank.

Update on banking arrangements and treasury management: SMG is seeking better interest rates on deposited funds as Nat West has reduced the amount currently received. At the moment his looking into offers from Santander, Lloyds and Handelsbanken. A decision will be needed at a full board meeting. The treasury management is also tied in with this. Funds that are not required for immediate usage are in the region of £2.4M which currently is only making 0.01%. There are better rates available with other banks. SMG had heard from the Lower Severn IDB that they use the Cambridge and Counties Bank which is jointly run by Cambridge CC and Trinity College Cambridge. The safety of this is unknown. Again the decision needs to be taken to a full Board meeting.

Minor amendments to Terms of Reference see Ref 14 from now only May and Sept: NWS asked to strike Ref 14 from the meeting and it will be discussed in May and September. All in favour
Ref. 4 - To receive and consider, annually, a 5-year estimate of income, expenditure and capital commitments for recommendation to the Board

Ref. 7 - To consider, and report where appropriate, on the financial implications of matters referred to the sub-committee by the Board

Ref 11 - To report to the Full Board on items decided under delegated powers. No matters.

9 Risk Management

Ref. 36 – Risk Management (Enc 6): (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: (most has been discussed within the budget).

- The potential use of precepts with the Environment Agency
- Item 6 - Board to be aware of all its liabilities – this is regarding regular survey of asset conditions which are currently being inspected
- Item 25 – the risk lies within the SRA
- Item 33 Suds – IDB Development Control Engineer now engaged. Existing officer – Andy Sherwood – will be leaving in February.
- Item 18 – Hinkley Point - JT asked this be higher on the register and there is constant monitoring of planning applications
- TB – asked for attendance to be included on the register. Should all members be sent a questionnaire asking for their ideas for the format of meetings as current attendance is very poor. Summer inspections could be reintroduced to encourage members to attend. JT suggested that councils are written to for representation. This could be discussed at full council meetings. Members agreed the Board should write to the local councils.

The report was accepted by members.

10 Any Other Business: Proxy voting – the Clerk identified that there are 3 pieces of legislation that guide officers. The Land Drainage Act, Standing Orders and the Land Drainage Election of Drainage Board Regulations 1938 revised and updated in 1977 and 1991. These are the laws and regulations by which the Board undertakes its actions and governance. The Standing Orders are put in place as a result of section 3 of the Land Drainage Act and have to be approved by the Minister. The current Standing orders were approved in 2012. The Amended Election Regulations

1938 set out under Section 20 of these regulations the general guidance concerning voting in elections, as follows:

“Votes may be either given personally or by deputy, the deputy shall be appointed in writing by the appointer either generally or in relation to a particular election”. The Clerk believes this is the regulation under which allows the Board members to vote by deputy which is also known as proxy voting. BM-W asked for clarification as to where this information is available and when proxy voting will be allowed. The Clerk made it clear that proxy voting is only used when there is an election and not for ordinary Board business. Members seemed to be unaware that proxy voting was permissible. The Clerk will discuss the matter with Brian Watkis. The Clerk will also arrange for this information to be available in the Members Pack.

NWS

Members went on to discuss the matter of attendance and the length of term of office of the Chairman. TB believed that the term should be 2 terms which is 6 years. It was agreed to take the recommendation to the Full Board. All in favour.

CP asked NWS to bring the suggestion of amalgamation to the next Axe Brue meeting. NWS reported that at the Regional Flood and Coastal Committee he had given a presentation of the work of local Boards. There were comments at the end of the presentation concerning the Board’s size. He is expecting further discussion on the matter. TB added that some of the concern related to the age of current members.

NWS

11 Date of Next Meeting: Policy, Finance & Governance 06 June 2017

There being no other business the Chairman declared the meeting closed at 5.30pm

.....
CHAIRMAN

.....
DATE