

Minutes of the Axe Brue Finance and Governance Sub Committee held on Tuesday 06 October 2015 at 10:30hrs at Bradbury House, 33-34 Market Street, Highbridge. Chairman: Cllr A Gilling

1	Attendance & Apologies for Absence: as per register appended.	Action
2	Items Additional to the Agenda: none	
3	Declarations of Interest: Cllr Gilling – all matters pertaining to planning or Ashfords Solicitors	
4	Minutes of the F&G Sub Committee Meeting held on 02 June 2015: (appended) having been previously circulated the Chairman signed the minutes as a true and correct record of the meeting held. The Chairman expressed his gratitude to Mr Tratt for chairing the previous meeting.	
5	Matters Arising: Item 12 & 13: S Gee (SMG) advised that bank tendering with a view to obtaining cheaper/free banking, has yet be reviewed. Direct Debits: SMG advised that investigations remain on-going. It is intended to present a recommendation to the Full Board in November. SMG advised that an Internal Controls document is now in place, to satisfy a comment received from the annual external audit.	SMG SMG
6	Use of Public Sector Co-operation Agreements system (PSCAs) with other FRM bodies: (update) N Stevens (NWS) advised that signing of a PSCA is to be reported at the Full Board meeting in November, and that resolution is awaited regarding the insurance liability concern that had been voiced to the Board's insurance supplier. Members were advised that Section 11 of the Land Drainage Act 1991 permits drainage authorities to enter into an agreement for carrying out work for payment in connection with a main river. Individual agreements would be required for the Axe Brue and the Parrett Board. After further discussion it was agreed, but not voted upon, that delegated authority be awarded to Jeff Fear as Chairman of the Axe Brue to sign the PSCA.	
7	Policy and Strategy: Ref 1 review F&G matters arising from the Strategic, Planning, Development and Operational Plans: Draft Policy: Compensation and Land Purchase Policy (appended) having been previously circulated, NWS briefed members on the draft policy which is designed to set out where the Board would consider it appropriate to pay compensation on desilting, dredging, widening, taking into view and watercourse works. A full discussion was held on the draft policy with the following points of note: <ul style="list-style-type: none">• Item 5 b and c: method statements would be necessary as part of an agreement for reinstatement works required• Item 7 Purchasing or works under notice: the Board must ensure that a letter of explanation is enclosed with a Notice to undertake works which would also include a plan of the area and method statement Proposed J Healey Seconded H Case that 'the Axe Brue Finance and Governance Sub Committee recommends adoption of the Compensation and Land Purchase Policy as submitted at the Full Board meeting of 10 November 2015.' Vote: unanimous RESOLUTION 1 Policy: Flood Risk Management Policy: NWS advised that ADA and DEFRA has comprised the model policy in 2002 which had duly been adopted by the Board, however the policy is due to be reviewed. Members agreed that a policy review will be undertaken over the forthcoming year. Ref 2 consider a 5 year estimate of income, expenditure and capital commitments: SMG advised that a 5 year plan of capital schemes is undertaken by the Chief Engineer, a strategic overview of the budget is on-going with maintenance on a 3 year rolling programme and engineering on a flexible rolling programme. The meeting was asked to consider if significant changes are required to overhead costs from SDBC for staff and admin, including planning and ecology; members concurred that this discussion cannot be concluded at present as details of SRA funding remain unknown and there is uncertainty regarding any changes in local authority revenue streams. Mendip and Sedgemoor District Councils concurred that a recent statement regarding future funding, advised local authorities would have to take on additional responsibilities, however these responsibilities are unknown and therefore the costs. The LA's recognise that drainage needs to be undertaken to a particular standard, however an increase to drainage rates would be resisted. Ref 3 review financial policy matters with regard to grand aid activity and other sources of funding: NWS advised that DEFRA had announced that funding across the country has a six year settlement from £370k to £400m, due to efficiency savings known as CERT (cost efficiency reporting tool), which applies to all Flood Risk authorities. It is understood that the reporting is for capital works rather than routine works. Ref 5 and 27 Risk Management (appended) item 8 inability to retain or replace key staff and item 34 reduced attendance at Board meetings: NWS advised members that the Parrett Board has set up a working group to review re-constituting the Board to a smaller, manageable size which will reduce the	RES 1

number of Board meetings, therefore improving the attendance at meetings.

Item 35 succession planning for Board members. Recruitment of new younger members is not occurring and there is a danger vacancies will not be filled: Members expressed concern for the age of membership and future membership. The Assistant Clerk updated members on discussions held regarding membership:

Ross Whitcombe has expressed an interest in joining the Board; Mr Whitcombe, under 30 years of age, retired from Young Farmers recently, works for Tamlyns in the Agricultural Department and farms his own herd of cattle.

Phoebe Judah held the position of Appointed member for Sedgemoor District Council until July 2015.

Morley Tibbs also held the position of Appointed member for Sedgemoor District Council until July 2015, would like to nominate Edwin Badman to be his representative. Mr Badman held the position of Appointed member for Sedgemoor District Council until July 2015 and has expressed an interest in retaining a seat with the Board.

- 8 **Budgets:** (appended) **Ref 8 Drainage rates received:** C-A Porter (C-AP) advised that £15,900 remains outstanding on the current years' rates. Second reminder letters will be disseminated from week commencing 12 October with a view to a Liability Hearing in December 2015.

Write Off rate payments: C-AP requested authority to write off three outstanding balances:

£1.98 Ms Lovell, Land transferred

£0.04 Mr Krieg, Land sold

£11.16 Exors Mr Tidball, Land transferred to SDC Special Levy

Proposed P Thorne, Seconded R Adlam that 'the Axe Brue Finance & Governance Sub-Committee approves to write off three outstanding drainage rate balances in total £13.18.' Vote: unanimous RESOLUTION 2

RES 2

Rate refund: Cllr Killen declared an interest. Mr Hill, Decoy Farm, has requested a refund of 20 years overpaid rates due to an historic administration error. Four fields, not owned/occupied, had been included within Mr Hill's land schedule however no evidence was found to substantiate a claim that the Board had been informed of this error. The Clerk and Assistant Clerk had undertaken negotiations with Mr Hill and his representative Mr Sprague, from which a settlement of 7 years, £449 had been agreed, leaving an outstanding balance of £129.88.

Members were advised that where a rate has an outstanding balance, refunds due for land sale/transfer would result in a credit to the account, however Mr Hill has requested refund by way of cheque.

Proposed R Adlam, Seconded W Welland that 'the Axe Brue Finance & Governance Sub-Committee awards a refund of £449.06 by way of a credit to the account with the outstanding balance of £129.88 to be paid by cheque within 7 days.' Vote: unanimous. RESOLUTION 3

RES 3

Ref 9 and 10 Financial position against budget and future projection: (appended) SMG briefed members on the reports, advising that there is currently no mechanism in place to allow purchase order numbers for submission of invoices. A meeting is due to take place with SCC Procurement Officers and the Environment Agency. Members opined that this situation is unsatisfactory and must be concluded as soon as possible.

Ref 12 Draft Consortium Budget 2016/17: (appended) SMG advised that the SDBC Management Committee and Parrett F&G have recommended approval of the draft budget.

Members were reminded that staff employed by North Somerset Levels IDB are recharged 100% and two engineers employed by Axe Brue IDB are recharged 100% to the SRA.

Proposed Cllr Killen, Seconded P Thorne that 'the Axe Brue Finance & Governance Sub-Committee recommends approval of the Consortium budget 2016/17.' Vote: unanimous RESOLUTION 4

RES 4

- 9 **Audit: REF 13,14, 15 and 16 Receive and review the internal and external audit report and monitor the action plans:** SMG advised that no report had been received from the internal auditor. The external audit had been signed within one matter of opinion: the IDB has not updated the Financial Regulations since 2011. SMG advised that a 5 year review was due and will include electronic banking and direct debits. It was agreed, however not proposed to review the Financial Regulations tri-annually.

- 10 **Reporting on specific delegated authority: Ref 22 Banking arrangements and facilities:** SMG advised that bank tendering and direct debits investigation is to be undertaken; it was recommended that consideration be given to permitting two payments of drainage rates to assist the collection - 1st May and 1st November. It was agreed that this item would be on the next F&G agenda.

- 11 **Any Other Business:** A Dowden advised that a landowner at Cocklake had been refused planning permission to develop the old pumping station at Rodney Stoke. (J Healey declared an interest) Historically, when the Upper Axe IDB sold the old pumping station, a covenant was attached stating that the pumping station was not to be altered for residential use.

NWS advised that the Land Registry documents include a statement referring to the covenant.

After much discussion it was agreed, but not voted upon that to allow the site to be developed would be against Board principal, however, should planning permission be granted, the Board would need to negotiate with the landowner.

C-AP advised members that a coffee morning was held to raise funds for MacMillan Cancer Support on 1st October which raised over £140. Gratitude was expressed for all involved.

- 12 **Date of next meeting:** Full Board 03 November 2015, 10.30am, SWADA 25 November 2015, 10am at the Oaktree Arena and Finance & Governance 26 January 2016, 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 13.00hrs

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CHAIRMAN

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DATE