

Minutes of the Parrett Board Policy, Finance & Governance Sub Committee Meeting held at Bradbury House, 33-34 Market Street, Highbridge on Tuesday 06 September 2016 at 2.15 pm.
Chairman: Mr C Passmore

- 1 **Attendance and Apologies:** as per register appended.
- 2 **Items additional to the agenda:** N Stevens (NWS) (1) SRA Co-operation agreement (2) Outstanding Drainage Rates – Mr D Small.
- 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**
- a) **Preparation of a 5 year Board Plan:** (appended) NWS advised that contents of a 5 Year Business Plan have been devised following previous discussion with members. Members requested Assets and Health & Safety be included in the plan. Concern was expressed by members for constraints and regulations that may impede the Board undertaking works on external agreements/contracts i.e. SRA projects. Members requested that a meeting be held with the Environment Agency (EA) to discuss future expectation of transfer of works/projects with the Board. IDB has ambition to work with the EA and SRA, to work practicably within set costs and timeframes to prevent escalating budgets. The Board has shown this ability within the maintenance dredge undertaken on behalf of the SRA. EA regulations should not be confused with working with other organisations. Co-operation between all organisations is working well. T Bradford will request an agenda item to discuss EA asset transfer and environmental legislation at the next ADA meeting. Members would wish to seek a review of environmental regulations within the Somerset Levels and Moors. The Clerk recommended that the Board's Byelaws should include an additional byelaw to include the control and issue of notices on the maintenance of SUDs features.
- Proposed B Maitland-Walker, Seconded J Lang 'that the Parrett IDB approves the 5 year business plan contents list as submitted and including the additional topics of assets and health and safety and that the IDB formally requests DEFRA to include for the control and issue of Notices for the maintenance of SUDS features within the Boards' Byelaws.' Vote: unanimous RESOLUTION 1**
- Further discussion was held on increasing efficiency through consolidation – although Parrett members feel that this would be beneficial to the Drainage Board as a whole, it is not considered that the Axe Brue would be willing to amalgamate at this time. It was agreed to recommend a joint committee to review the 5 year business plan. T Bradford expressed concern for risks from a new precepting body, SRA, as Sedgemoor District Council are seeking disaggregation to allow IDB precept to be paid outside the scope of current capping limits.
- Ref. 2 - To receive and keep under review, on behalf of the Board, the financial and governance matters arising from the Board's Strategic Planning, Development, Operational and Improvement Plans. No matters raised.**
- Ref. 4 - To receive and consider, annually, a 5-year estimate of income, expenditure and capital commitments for recommendation to the Board. No matters raised.**
- Ref. 5 - To determine, and keep under review, financial policy matters with regard to investment & financing, and to grant-aided activity and other possible sources of funding for the IDB. No matters raised.**
- Ref. 6 - To recommend and monitor the Board's performance standards and policies are followed in all operational, maintenance and improvement works and to report significant variances to the Board. No matters raised.**
- Ref. 7 - To consider, and report where appropriate, on the financial implications of matters referred to the sub-committee by the Board. No matters raised.**
- Ref. 8 - To consider and keep under review Structure Plans or Strategies of external parties e.g. CFMPs and District Councils Local Plans. No matters raised.**
- Ref. 11 - To report to the Full Board on items decided under delegated powers. No matters raised.**
- 5 **Budgets**
- Ref. 12a – To receive and consider the proposed SDBC annual budget for recommendation to**

Action

RES 1

the Board (Enc 2) S Gee (SMG) advised that:

- This is the third consecutive year that costs to the Boards have come down due to re-charged works such as SRA and NSLIDB
- Part of the SDBC budget is supported by SRA backfill funding
- Staffing: P Ham has expressed an interest in reducing to 3 days per week and taking up a position as an engineer to both Boards.
- A new Development Control Officer, S Bunn, will replace A Sherwood from 1st November
- J Inman (NSLIDB) and A Sherwood will leave the Board once S Bunn has settled into the role
- The Board has agreed that the IDB will deliver engineering works for the SRA which will be re-charged to the SRA. In order to undertake these external works projects the Boards are seeking to appoint two new engineers on 12 month temporary contracts to be 100% funded by the SRA. These appointments were the subject of SDBC Management Committee approval in February 2015.

Proposed B Maitland-Walker, Seconded P Maltby ‘that the Parrett Policy, Finance and Governance Sub-Committee accepts the SDBC 2017/18 budget as submitted with the proviso that terms are negotiated as the best solution for one or two permanent or temporary engineers as necessary.’ Vote: 5 For, 1 Against – motion carried. RESOLUTION 2

Ref. 14 - To monitor and report the performance against budget and to report significant variances to the Board – See ref 17 below (Enc 3)

Ref. 15 - To consider, on behalf of the Board, any requests for significant variations to the planned operating budget and to make recommendations accordingly. No matters raised.

Ref. 17 - 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. Direct Debit: SMG advised that following investigation, initial training, authorisation and BACS system set up will cost approx. £3k, however the potential savings to the Board on rate collection fees and charges could be substantial.

All rate payers would be encouraged to settle drainage rates by Direct Debit, reducing the need of reminder letters and legal action for recovery.

Proposed T Bradford, Seconded B Maitland-Walker ‘that the Parrett Policy, Finance and Governance Sub-Committee recommends approval of an alternative method of annual rate collection by Direct Debit at the Parrett Full Board meeting of 01 November 2016.’ Vote: unanimous RESOLUTION 3

RES 2

RES 3

6 Audit

Ref. 18 – To agree and recommend to the Board an annual audit plan. No matters raised.

Ref. 19 – To receive and review reports from the Internal and External Auditors. C Gunn, SWAP, advised that guidance had been provided to SMG, however no concerns had been expressed regarding the internal audit.

SMG advised that the external audit has not been received for this current year, however last year’s report advised that the Financial Regulations were due to be reviewed and updated (where necessary).

Ref. 20 – To monitor internal control procedures and to review same in the light of Audit Reports. No matters raised.

Ref. 21 – To receive and monitor the Action Plan to ensure all issues raised by Internal or External auditors are addressed. No matters raised.

Ref. 22 - To review the effectiveness of the auditing procedures. No matters raised.

7 Governance

Ref. 23 – To review and recommend to the Board any changes to the Board’s Standing Orders and Guidelines and to its Financial Regulations (Enc 4) SMG advised that in line with the external audit recommendation the Financial Regulations will be reviewed on a 3 year basis rather than 5 years.

SMG summarised the recommended amendments to the Regulations, advising that ‘the Board’ refers to the Axe Brue as lead Board of the Consortium. At a recent SDBC Management meeting it was agreed that the Expenditor’s and Operators employed by the Parrett Board would receive future salary reviews in-line with Axe Brue employed staff at the annual Salaries Sub-Committee meeting attended by both Axe Brue and Parrett members.

Proposed T Bradford, Seconded B Maitland-Walker ‘that the Parrett Policy, Finance and Governance Sub-Committee recommends approval of the amended Financial Regulations at

RES 4

the Parrett Full Board meeting of 01 November 2016.’ Vote: unanimous RESOLUTION 4

Ref. 25 - To monitor compliance with legal requirements of the IDB.

Ref. 27 - To ensure that the provisions of the Accounts and Audit Regulations have been complied with and that electors have been given opportunity to review and query the accounts.

8 Delegated Authority

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

Ref. 32 – The appointment of the IDB’s Internal Auditor and arrangements for related Fees and Charges

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:

- Non-attendance of appointed members is unsatisfactory – letter to be disseminated to local authorities
- Annual meeting calendar is created with guidance from local authority meeting schedules
- Board structure, composition and number of meetings to be reviewed

The report was accepted by members.

10 Minutes of the F&G meeting held on 17 May 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:

1) Nythe Road Culvert: NWS advised:

- Mr Small, the landowner is withholding his rate settlement due to a drainage issue on land created by a damaged culvert
- During 2014 flooding SCC diverted A372 traffic, including heavy vehicles over this structure. Damage has been identified that may not have been occurred without this diversion
- The Board has proposed a joint scheme with SCC utilising SRA funding
- Mr Small feels that his land has been impacted by this structure.
- A temporary scheme is being investigated to re-route the drainage by an alternative method. Following the flooding, Mr Small and his son attempted to clear the blockage caused, which took approx. 10 hours.

Proposed T Bradford, Seconded J Lang ‘that the Parrett Board reimburses Mr Small for ten hours labour upon receipt of an invoice if settlement of drainage rates for Account ID 55-0101-6 has been received.’ Vote: unanimous RESOLUTION 5

2) Minehead: I Sturdy advised that:

- Routine channel cleaning operations are scheduled for October 2016
- Pond and additional cleaning works will be undertaken as in 2015/16
- Handwork on riparian watercourses will also be undertaken as experience in 2015/16
- **Moat:** preparatory works have been completed for works to be commenced in the near future
- **Culverts:** modelling has been undertaken to identify drainage issues around the railway, however culvert size modelling has not been undertaken to date.

3) SRA Co-operative Agreement: NWS advised that the new agreement includes standard conditions, finance and heads of agreement however awards no delegated powers. The document requires legal review.

13 Date of Next Meeting: SDBC Annual Meeting – Tuesday 18 October 2016, 7pm
Full Board - Tuesday 01 November 2016
Policy, Finance & Governance – Tuesday 17 January 2017.

There being no other business the Chairman thanked Mr Gunn, members and officers for attending. The meeting closed at 17.18hrs

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CHAIRMAN

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DATE

RES 5