

MINUTES OF THE NORTH SOMERSET LEVELS IDB FINANCE AND WORKS SUB COMMITTEE MEETING HELD AT BRADBURY HOUSE ON 08 OCT 19

Attendance:			
Elected Members: Mr T Bush (C) Mr B Gray Mr R Mitchell	Appointed Members: Cllr P Burden Mr R Garner Cllr J Tonkin	Officers: Mr R Burge Mrs M Hammond Mrs C-A Morgan Mr I Sturdy	Public:
Apologies:			
Mr WM Britten			
Non-Attendance:			
	Cllr A Harley		

Agenda Item:	Detail:	Action:
1. Attendance and Apologies	Apologies as per the above Attendance List.	
2. Items Additional to the Agenda	2.1. The Clerk requested consideration to Chair's Allowance. To be discussed at Item 11 - AOB.	
3. Declarations of Interest	None at this time.	
4. Approval of Minutes	4.1. The Clerk reported that, as this was the inaugural meeting of the Finance & Works Committee (F&W), the Minutes of the Finance, Policy & General Purpose (F, P&GP) Committee Meeting of 08 Mar 19 (for which this meeting had superseded) had been accepted at the Full Board of 09 Apr 19 and signed by the Chair as a true and accurate reflection of the Meeting.	
5. Matters Arising	None.	
6. Finance Report	6.1. The Responsible Finance Office (RFO) confirmed that Officers reconcile bank statements routinely. Mr R Mitchell volunteered to conduct quarterly accounts reconciliation on behalf of the Board.	

	<p><u>NSLIDB Quarter 2 Financial Status and End-of-Year Forecast:</u></p> <p>6.2. Mrs M Hammond, RFO, provided an overview of the Report with the following points of note:</p> <ul style="list-style-type: none"> • Income favourable variances due to consent fees and bank interest receivable. • Expenditure variances due to: <ul style="list-style-type: none"> ○ Adverse: SDBC admin charge – not included in budget. ○ Favourable: Salaries – retirement of Clerk. ○ Premises – business rates; challenge has been lodged re: parking spaces –ongoing. ○ Favourable: Maintenance – invoices not yet received. ○ Adverse: Broadband costs. ○ Adverse: Professional Fees – D Colbourne invoice received over budget of £3k. <p>6.3. The RFO took an Action to review Broadband costs for the Cider House and report at the next F&W Committee.</p> <p>6.4. The Clerk raised concern that there was currently no Contract in place for Mr Colbourne and the Board had not sufficiently budgeted for his tasking since transition to the Consortium. The Clerk took an Action to review the role of Mr D Colbourne and ownership of Rating Manager System to enable development of a draft contract for Members to review at the next F&W Committee.</p> <p>6.3. The RFO report and commentary was accepted as read.</p> <p><u>Section 1 Annual Governance Statements 2018/19</u></p>	<p>New Action NSL/20191008-01: RFO</p> <p>New Action NSL/20191008-02: Clerk</p>
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	<p>6.4. The RFO reported that External Auditors found no issues with the AGAR submitted for 2018/2019 and had signed off the accounts accordingly.</p> <p><u>Drainage Rates:</u></p> <p>6.5. The RFO reported that £19,001.04 remained outstanding from 138 accounts. Second reminders were due to be issued in the near future.</p> <p><u>Budget setting 2020/21:</u></p> <p>6.6. The RFO advised that the SDBC budget would be prepared prior to the individual Board Budgets and took an Action to prepare ‘Actual against Budget’ column for the End-of-Year Report to be presented at the next F&W Committee.</p>	<p>New Action NSL/20191008-03: RFO</p>
<p>7. Investment of Funds</p>	<p>7.1. The Clerk and RFO gave a presentation on the investment of Board funds and the Flagstone Platform.</p> <ul style="list-style-type: none"> • Location of Current Investments: <ul style="list-style-type: none"> • NAT WEST Deposit Account • HSBC Money Market Fund • North Somerset Council • Current Interests Rates and average Income from current Investment: <ul style="list-style-type: none"> • 0.72% based on £760k returning an estimated £5,472 per annum <p>7.2. The Clerk stated that Flagstone research elusive Interest rates, consider the Risk Profile of every Bank and manage the opening and managing of multiple accounts to allow the spreading of Risk (diversification) and access to favourable Rates on a 24/7 online access, giving weekly Risk Alerts and Monthly Statements.</p> <p>7.3. With regards to management of financial risk, all Banks on the Platform were FCA Authorised</p>	

and Regulated, all claims would be managed by Flagstone on behalf of its Clients and in the event of Flagstone going into Administration, Funds remain as Client's full beneficiary ownership, with no credit exposure to Flagstone

7.4. With regards to management of investment risk, the Clerk further stated that Flagstone give a Risk Score, a ratio of the 'Strength' of the Bank and Interest Rate offered for each investment Bank on Platform which allows an 'Informed Assessment' of Risk prior to placing a deposit

7.5. On security, there were no 3rd Party Payments as all funds are paid and returned direct to originating Accounts only, with each Client Account allowing only 1 x named Individual to give instructions and 1 x named individual with viewing access rights.

7.6. Fees and income:

- Annual Management Fee of 0.25% p.a. on the total value of Client Account
- £500 one-off set-up fee per Client Account (deducted from Hub Account within 30 days of first deposit)
- Interest Rates confirmed at point a Deposit is made

7.7. The Clerk commented that the minimum investment into the Platform (Hub) was £250k and recommended that the maximum investment in any one account was limited to £85k to ensure FCSA Protection. This would provide a significant risk mitigation over current investment where current invested funds are not safeguarded as they exceed the FCSA threshold.

- Total Annual Cost - £1,125 (Mgt Fee of £625 plus the one-off set-up Fee of £500)
- Expected Return of £250k at nominal 2% = £5k (*against current £5,472 on £760k*)

	<p>7.8. The Clerk asked the F&W Committee if they considered this Platform worthy to be recommended to Full Board. Mr R Garner recommended that the Clerk try and seek assurance from the North Somerset Council (NSC) Finance Director so the Clerk took an Action to seek independent advice and assurance from the NSC Finance Director prior to submission to the Full Board Meeting.</p>	<p>New Action NSL/20191008-04: RFO</p>
<p>8. Engineering & Maintenance Works</p>	<p>8.1. The Director of Operations (Dir Ops) provided an overview of Works (this list is not exhaustive):</p> <ul style="list-style-type: none"> • First cut was complete with Second cut underway. • Channel Cleaning works programme on-going with no concerns. • 3-year Works Programme with RAG (Red, Amber and Green) narrative was being produced to include projects and schemes. • £220k had been raised in previous years for schemes & projects • £106,990 raised in current year for schemes & projects, with £48k spend to-date. • Huckers Bow – works almost complete. £14,500 contribution to be submitted. • Sampson’s Sluice – scheme options being considered. • Crossman’s Hatch – new structure required. Detailed design due to commence shortly. • Tender being prepared for wider works. <p>8.2. Members expressed concern for the amount of money and work being carried forward. Dir Ops advised that the Programme of Works is to be reviewed and delivered with consideration to priority and budget.</p> <p><u>Stowey Rhyne</u></p> <p>8.3. The Clerk reported that Residents were aggrieved by maintenance being conducted from</p>	

	<p>south Bank and not from the opposing Landowners side. He believed this was a domestic neighbourly dispute and not Board-related. He reported that had submitted a formal Notice of Entry for the works this year but had received a <i>'Notice of Removal of Implied Rights'</i> from 3 x Residents. The Clerk had sought legal advice before responding formally as the Board had 'Statutory Rights' and not 'Implied Rights' of access.</p> <p>8.4. The Clerk further reported that he had subsequently received a Freedom of Information (FOI) Request on 02 Oct 19 regarding this issue and had responded on 8 Oct 19. Works were currently delayed whilst awaiting improved ground condition.</p> <p>8.5. The Clerk wished the Members to be aware of recent events as he expected further opposition from the works when they commenced maintenance of Stowey Rhyne.</p> <p>8.6. Members requested that the local Ward Members are made aware of the situation. As such, the Clerk took an Action to provide (copy) of correspondence on Stowey Rhyne to Cllr S Bridger & Cllr W Griggs.</p> <p>8.7. Dir Ops took an Action to review the current situation regarding access at The Cut, Portishead.</p> <p>8.8. The Clerk took an Action to review, for Full Board consideration, a two year extension to Keeching contract of John Tucker & Son Ltd.</p>	<p>New Action NSL/20191008-05: Clerk</p> <p>New Action NSL/20191008-06: Dir Ops</p> <p>New Action NSL/20191008-07: Dir Ops</p>
<p>9. Risk Review</p>	<p>9.1. The Clerk provided an overview of the Risk Register, presenting the 'Top 5' Financial Risks facing the Board:</p> <p>1. Unforeseen overspend.</p>	

	<p>2. Failure to keep costs within agreed budgets.</p> <p>3. Brexit.</p> <p>4. Major Structure Failure.</p> <p>5. Rejection of Grant Claims.</p> <p>9.2. The full Risk Register would be reported at the Full Meeting of 22 Oct 19.</p> <p>9.3. The populated Risk Register is a live document and is reviewed on a monthly basis at Officer Management Meetings.</p>	
<p>10. Any Other Business</p>	<p><u>Chairman's Allowance:</u></p> <p>10.1. The Clerk gave an overview of the current Chairman's Allowance stating that the Land Drainage Act 1991 (LDA) was quite specific in its authorisation of Chairman Allowance:</p> <ul style="list-style-type: none"> • LDA Schedule 2 – Expenses & Proceedings etc. of IDBs: Para 1 (1): <i>'The relevant Minister, may, if he thinks fit, by Order authorise an IDB to pay to the Chairman of the Board. For the purposes of enabling him to meet the expenses of his Office, such allowances as may be specific in the Order'</i>. <p>10.2. The Clerk commented that, currently, no Order existed although a Chairman's Allowance of £1000 in Line 7802 was being budgeted.</p> <p>10.3. The Clerk stated that he felt very uncomfortable in that all expenditure was required to be fully accountable under the Financial Regulations. At present, there was no authority to pay the Chairman any form of allowance. The Clerk recommended to the F&W Committee that they seek Board endorsement to</p>	

	<p>formally request of the Minister an Order to pay a Chairman’s Allowance of £1500 annually to align with that of the Axe Brue and Parrett Boards.</p> <p>10.4. Mr P Burden proposed and Mr B Gray seconded that “the F&W Committee submit to the Full Board a recommendation to seek Ministerial endorsement through Order to pay an annual Chairman’s Allowance of £1500 and that this Allowance is paid quarterly to the Chairman through BACS.” RESOLUTION 1 Unanimous Decision</p> <p>10.5. Staff Update: The Clerk reported that NSLIDB Administration Assistant had submitted a request to reduce her hours and days of work from 25 hrs over 5 days to 22 hrs over 4 days, effective 01 Nov 19. The Clerk stated that he had no concerns whatsoever over this request and fully supported the reduced working hours. It was recommended to seek endorsement at the Full Board Meeting of 22 Oct 19.</p>	RESOLUTION 1
10.Date of Next Meeting	<p>10.1. The date of the next Finance & Works meeting was reported as 21 Jan 20.</p> <p>10.2. Future key dates in the short-term were highlighted as:</p> <ul style="list-style-type: none"> • H&S Committee: 20 Nov 19 • Environment Committee: 02 Dec 19 • SDBC Management: 29 Jan 20 <p>10.3. A revised calendar of Meeting Dates would be provided once endorsed by the Consortium Board Chairmen.</p> <p>10.4. There being no other business, Members and Officers were thanked for their attendance, and the meeting was closed at 12.10.</p>	

Annex:

A. North Somerset Levels F&W Committee – Table of Outstanding Actions

CHAIRMAN.....DATE

**ANNEX A TO
NORTH SOMERSET LEVELS F&W COMMITTEE MINUTES
DATED 08 OCT 19**

NORTH SOMERSET LEVELS F&W COMMITTEE – TABLE OF OUTSTANDING ACTIONS

Action Number:	Action:	Actionee:
NSL/20191008-01	To review Broadband costs and report at the next F&W Committee.	RFO
NSL/20191008-02	To review the role of Mr D Colbourne and ownership of Rating Manager System to enable development of a draft contract for Members to review at the next F&W Committee.	Clerk
NSL/20191008-03	To prepare 'Actual against Budget' column for the End-of-Year Report to be presented at the next F&W Committee.	RFO
NSL/20191008-04	To seek independent advice and assurance from the NSC Finance Director prior to submission to the Full Board Meeting.	Clerk & RFO
NSL/20191008-05	To provide (copy) correspondence on Stowey Rhyne to Cllr S Bridger & Cllr W Griggs.	Clerk
NSL/20191008-06	To review the current situation regarding access at The Cut, Portishead.	Dir Ops
NSL/20191008-07	To review, for Full Board consideration, a two year extension to Keeching contract of John Tucker & Son Ltd.	Dir Ops