

**MINUTES OF THE AXE BRUE IDB FINANCE AND WORKS SUB COMMITTEE MEETING
HELD AT BRADBURY HOUSE ON 20 JANUARY 2020**

Attendance:			
Elected Members: Mr R Adlam Mr J Fear Mrs P Thorne Mr D Tratt Mr M Wall	Appointed Members: Cllr W Human Mr R Keen Cllr A Matthews Cllr L Scott	Officers: Mr R Burge Mrs M Hammond Mrs K L Kingston Mr I Sturdy	Public:
Apologies:			
	Cllr A Gilling		
Non-Attendance:			

Agenda Item:	Detail:	Action:
1. Attendance and Apologies	Apologies as per the above list. The Clerk introduced the Board Members to the new Water Environment Worker Apprentices, Mr Matt Eldridge and Mr Jack Foster.	
2. Items Additional to the Agenda	None.	
3. Declarations of Interest	None.	
4. Approval of Minutes	4.1. The Minutes of the Finance and Works Committee Meeting of 07 Oct 19 were accepted by the Committee and signed by the Chair as a true and accurate reflection of the Meeting.	
5. Matters Arising	Maurice Wall joined the meeting <u>Review of Actions</u> 5.1. AB/20181010-04 - To conduct a review of the Machinery & Plant across both Boards with a view to VfM and Risk); The Clerk reported this Action as remaining 'on-going' but	Action AB/20181010-04: On-going

	<p>expected the Review to be delivered by end of Mar 20, forming part of the combined 'Strategic Review of Plant, Machinery and Manpower'.</p>	
<p>6. Finance Report</p>	<p><u>Quarterly Reconciliation of Accounts:</u></p> <p>6.1. The Director of Finance (Dir Fin) reported the completion of quarterly reconciliation of Bank Statements by Board Members. Dir Fin then provided the figures of the current and deposit accounts held at the Nat West Bank. Currently, the reconciled statements had been countersigned up to 30 Aug 19. Cllr Will Human was requested to countersign the statements for the SDBC accounts in addition.</p> <p><u>Board Assets:</u></p> <p>6.2. Dir Fin confirmed that there had been no changes in the Asset Register. David Tratt questioned whether a piece of land in the Board's ownership in the Lower Axe area should appear on the Asset list. Jeff Fear believed this to be a small piece of land at Walrow used for easement of access. Dir Fin would confirm.</p> <p><u>FY20/21 Budget and Rate Setting</u></p> <p>6.3. As of 31 Dec 19, Dir Fin reported a surplus of £173,457 which was a favourable variance of £18,519. However, the Year-end forecast was identifying a deficit of £67,445 which was an adverse variance of £39,333. The main area contributing to the potential overspend was the delay to the in-year clearance of monies owed to the Parrett and Consortium (e.g. salary costs, Piles from Parrett stock) from previous years as far back as 2014. To give assurances that this would not re-occur, Dir Fin commented that these sorts of transactions were now being routinely cleared on a monthly basis as a matter of course.</p> <p>6.4. Dir Fin reported that a recent Audit Report by South West Audit Partnership (SWAP) on the</p>	

Board's Budget setting process had culminated in a 'Substantial' assurance with no major Findings.

6.5. Dir Fin presented the proposed Budget for FY2020/2021 line-by-line. Iain Sturdy circulated a 3-year Programme of Works for Board Schemes that were considered able to be resourced within the Financial Year. He clarified that for previous Schemes not able to be delivered, the funds raised were ring-fenced to deliver those Schemes at a later date within a revised Programme.

6.6. The proposed Budget had resulted in an increase in the Penny Rate of 20.025%.

6.7. The Clerk commented that this should be unexpected to all Board Members as it was identified at last year's Budget-setting that this would be the case again this time around. He further explained that since 2014, the Penny Rate Increase had been artificially constrained to an average of 1% whilst the EA Precept increase each Year had been 2% (25% of Board Expenditure) equating to a **0.5%** increase in Board costs each year; From DEFRA IDB1 Data, it was evident that across all IDB in the Country, average Board Admin Expenditure had increased by 24% since 2014 (5% increase per year equating to a **2%** increase in total Board expenditure each year); Cost of maintenance had increased by 9.6% since 2014 (Maintenance = 25% expenditure) equating to a further **0.5%** increase in expenditure each year;

6.8. Additional Board responsibilities for Biodiversity, Biosecurity (Invasive Weed Control), meeting required H&S Legislation and support to SRA (Reduction in Recharge Costs) had been other significant factors in the Board's operating costs within the last 5 years. The Clerk further commented that, as he had stated clearly last year, the Budget needed to increase to meet the Operating Costs of the Board. The step-change

	<p>needed in the Penny Rate was again, a result of previous measures to keep the Local Authority costs down to a minimum, but having depleted Board Reserves, this could no longer be done. The Strategic Review was expected to deliver changes to how the Boards operate and potentially realise cost-savings in the future.</p> <p>6.9. Dir Fin stated that the proposed Budget would see an increase in the Penny Rate from 7.162 to 8.596.</p> <p>It was proposed by David Tratt and seconded by Pamela Thorne that the proposal for the penny rate for the year 20/21 be increased by 20.025% to 8.596 to be taken to the Board Meeting of 03 Feb 2020 for approval. 4 for, 0 against, 4 abstentions.</p> <p>6.10. David Tratt asked for it to be minuted how hard the CEO and Dir Fin had worked on this and thanked them for their efforts. Jeff Fear questioned the status of the ongoing action regarding investment of Boards Funds. The Clerk commented that this was being dealt with by a Joint Task & Finish group and the results expected to be put before the Board in time for the commencement of the new Financial Year. Cllr Will Human left the meeting at 12.15</p>	RESOLUTION 1
<p>7. Financial Risk Review</p>	<p>7.1. The Clerk reported no-change to the current Financial Risk Register but stated that the full Risk Report would be given at the Full Board meeting in Feb 20.</p>	
<p>8. Any Other Business</p>	<p><u>Maurice Wall – Outstanding Rate Arrears:</u></p> <p>8.1. The Clerk reported that approximately £10,000 was still outstanding but Summons Notices for Liability Orders were being taken to Court for signing later in the week which would instigate an additional Board Administration charge of £101 per Order to the outstanding Arrears. A new Bailiff Organisation has been employed by the Board which was expected to</p>	

	offer a better service in the ongoing collection of outstanding debts. Cllr A Matthews left the meeting at 12.20	
9. Any Other Business	None	
10.Date of Next Meeting	Full Board meeting – Mon 3 Feb 2020 at 10.30	

CHAIRMAN.....DATE

**ANNEX A TO
AXE BRUE F&W COMMITTEE MINUTES
DATED 20 JAN 2020**

AXE BRUE F&W COMMITTEE – TABLE OF OUTSTANDING ACTIONS

Action Number:	Action:	Actionee:
AB/20181010-04	to conduct a review of the Machinery & Plant across both Boards with a view to VfM and Risk	Clerk