

MINUTES OF THE PARRETT IDB FINANCE AND WORKS SUB COMMITTEE MEETING HELD AT BRADBURY HOUSE ON 20 JAN 2020

Attendance:			
Elected Members: Mr T Bradford Mr P Betty Mr C Passmore (C)	Appointed Members: Cllr M Caswell Cllr S Kingham	Officers: Mr R Burge Mrs M Hammond Mrs K L Kingston Mr I Sturdy	Public:
Approved Apologies:			
Mr J Winslade	Cllr J Pay		
Non-Approved Apologies:			
	Cllr I Dyer		

Agenda Item:	Detail:	Action:
1. Attendance and Apologies	Apologies as per the above Attendance List.	
2. Items Additional to the Agenda	None.	
3. Declarations of Interest	None.	
4. Approval of Minutes	<p>4.1. The Minutes of the Finance and Works Committee Meeting of 07 Oct 19 were presented for approval.</p> <p>4.2. Mr T Bradford raised a discrepancy at item 5.9 where Mr P Betty should be the joint Actionee and not Mr J Winslade. This amendment was accepted. With this amendment captured in the Master Minutes, the Minutes were accepted by the Committee and signed by the Chair as a true and accurate reflection of the Meeting. (Proposed by Mike Caswell and seconded by Stuart Kingham); All in favour</p>	

<p>5. Matters Arising</p>	<p>5.1. The Chairman asked for an update on the issues regarding unkempt droves and crossings in the Othery, Middlezoy and Westonzoyland area that were impacting on Contractor ability (Ken Marsh) to access the Rhyne Network. The Committee had asked that Ken Marsh record where all the problems were occurring (Action outstanding) and was a little concerned that any works to improve the gateways etc. would need to attract additional funding. Dir Ops stated that the priority was to identify where the choke points were and that he had included a sum of money in the Works Programme to undertake these. He further commented that it was very unlikely that the Board would be able to attract any Grants for these improvement works.</p> <p>5.2. Mr T Bradford commented that, regarding outstanding Drainage Rates, he considered it important to understand how many, and why, Drainage rates from previous years still remained unpaid and those that had legitimately been transferred to Special Levy or unable to be traced be 'written-off' where necessary in order to give a true reflection of those outstanding debtors. The Clerk commented that Summons Notices for Liability Orders for outstanding debtors above £25 were being signed by the Courts the following week and a Report would be made available to the full Board Meeting.</p> <p><u>Review of Actions:</u></p> <p>5.3. Action P/20181010-04: Clerk to conduct a review of the Machinery & Plant across both Boards with a view to VfM and Risk); The Clerk reported that this Action remained 'on-going' and would be reported in due course, forming part of the combined 'Strategic Review of Plant, Machinery & Manpower' across all Boards of the Consortium. It would set out details of various options to be considered for providing the best Value for Money based against Risk for the</p>	<p>Action P/20181010-04: Ongoing</p>
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	<p>future maintenance across all Board areas, not solely the Parrett.</p> <p>5.4. The Clerk informed the members that the Parrett's Machine Operator, Mark Hill, had tendered his resignation as of this morning and had given the Contracted 4 x weeks' notice. He further commented that the Board's Part-Time Expenditor, Mike Snook, had written to the board advising of his retirement at the end of Apr 20. He also reported that Nick Lockyer (Expenditor) was currently on long-term sick leave. The three issues above clearly identified the need for the Strategic Review and options to provide additional resilience within the organisation. The Clerk commented that, as part of that work, the SDBC had recently recruited 2 x Water Environment Workers (WEW) Apprentices and welcomed Jack Foster and Matt Eldridge, having been brought in as trainee Expenditors/Rhyne Supervisors.</p> <p>5.5. Action P/20190610-01: Clerk to investigate Wildlife Trackers for Board owned vehicles and report back to the Board: The Clerk commented that this Action continued, with the intention to contact Witham Fourth IDB for further information.</p> <p>5.6. Action P/20191007-01: A Site Meeting be convened with Mr J Winslade and Dir Ops at various sites around Othery, Middlezoy and Westonzoyland to review access for channel cleaning works and to discuss funding, including grants: As agreed at Matters Arising, this Action was re-appointed to Mr P Betty and remained ongoing.</p> <p>5.7. Action P/20191007-02 To prepare a formal letter, to be reviewed by Ashfords Solicitors, of further justification of the Boards' claim to Somerset County Council regarding the</p>	<p>Action P/20190610-01: Ongoing</p> <p>Action P/20191007-01: Ongoing</p> <p>Action P/20191007-02: Ongoing</p>
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	<p>collapsed Culvert at Admiral's Table: The Clerk reported this Action as ongoing</p> <p>5.8. Action P/2019107-03: RFO to prepare a report of outstanding Rate Payer accounts at Year End 18/19: The Clerk reported this Action as complete; Meeting held with all Parrett Elected Members on 25 Nov 19.</p> <p>5.9. Action P/2019107-04: Clerk to provide the Programme of Works report with the Calling Notice for future Meetings: The Clerk acknowledged the intent of this Action and recommended it be closed as now normal working business.</p> <p>5.10. Action P/2019107-05: The Clerk to formally write to WRFCC Chair, Mr D Jenkins, to request the justification of an increase above 2% to EA Precept: The Clerk reported this Action as complete: He had personally attended the WRFCC Meeting on 15 Oct 19 where the IDB's EA Precept was discussed and agreed to remain at 2%.</p>	<p>Action P/20191007-03: Complete</p> <p>Action P/20191007-04: Complete</p> <p>Action P/20191007-05: Complete</p>
6. Finance Report	<p>6.1. Director of Finance (Dir Fin) reported that the quarterly Reconciliation of Bank Statements had been completed up to 30 Aug 19. She provided the figures of the Current Account status and Reserve status held at the Nat West Bank. Cllr S Kingham confirmed that he would call-in to the Offices to countersign the Statements for the Parrett and SDBC accounts.</p> <p>6.2 Regarding Board Assets, Dir Fin confirmed that there had been no changes to the Asset Register and informed members of the value of assets at 31 Dec 19:</p> <ul style="list-style-type: none"> • Vehicles (Inc. attachments) £20,013.21 • Equipment £ 3,557.55 • Total £23,570.7 <p><u>FY20/21 Budget and Rate Setting</u></p>	

6.3. As at 31 Dec 19, Dir Fin reported a surplus of £152,128 which was a favourable variance of £26,307. The Year-end Forecast showed a potential deficit of £67,445 which is an adverse variance of £70,620. The main area contributing to this overspend was non-routine maintenance and repairs.

6.4. Dir Fin reported that a recent Audit conducted by South West Audit Partnership (SWAP) on the Board's budget-setting process had reported a 'Substantial' assurance to the Board.

6.5. Dir Fin took the Committee line-by-line through the Budget-Setting Spreadsheets. Iain Sturdy circulated a 3-year Programme of Works for Board schemes that are considered necessary and able to be delivered in-year.

6.6. As a result of the Budget-Setting process, Dir Fin reported that the increase in the penny rate would be 7.09%.

6.7. Cllr Mike Caswell expressed his concerns regarding the increase because of the effect it would have on the Local Authority's budget. The Clerk reminded Members that Members should be voting on the Budget based on meeting the Board's requirements of the Land Drainage Act 1991, whether the budget being requested was justified and a decision based on whether it was in the interest of the Tax Payer and Rate Payers, not whether it was in the interest of their parent Organisation (Local Authority) otherwise it would be in contravention of the Board's Code of Conduct.

6.8. The Clerk continued in giving details of historic budget increases. 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 **0.5%** 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 alone; 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; 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 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.

6.9. Mr T Bradford thanked Dir Fin for her very helpful and clear report and therefore Proposed, Seconded by Philip Betty, that **the increase in the Penny Rate of 7.09% for FY2020/2021 be taken to the full Board Meeting for approval:** Vote: 3 for, 3 against, 0 abstentions. The Chair had the casting vote and therefore the Motion was carried.

6.10. Cllr Mike Caswell further expressed his concerns as a higher increase would cause issues with the forthcoming SDC Budget. The

RESOLUTION 1

	<p>Clerk re-iterated the Members Code of Conduct and asked that members always act in the interest of the Board. He further reminded Members that the current year's Penny Rate had been purposely constrained by SDC Members so as to minimise the impact on the 2019/2020 SDC Budget whilst fully acknowledging the need that the rate would need to be significantly raised in 2020/2021. He further stated that the Board's financial position had been well documented and communicated and was disappointed that SDC had not acted in response to last year's briefings by only budgeting for a 2% increase this forthcoming budget round.</p>	
7. Risk Review	The Clerk reported that a full Risk Report would be given at the full Board Meeting in Feb 20.	
8. Any Other Business	None	
9. Date of Next Meeting	<p>Monday 3rd February 2020 at 14.30</p> <p>The Chairman closed the meeting at 16.05</p>	

CHAIRMAN.....DATE

**ANNEX A TO
PARRETT F&W COMMITTEE MINUTES
DATED 20 JAN 20**

PARRETT F&W COMMITTEE – TABLE OF OUTSTANDING ACTIONS

Action Number:	Action:	Actionee:
P/20181010-04	To conduct a review of the Machinery & Plant across both Boards with a view to VfM and Risk.	Clerk
P/20190610-01	To investigate Wildlife Trackers for Board owned vehicles and report back to the Board.	Clerk
P/20191007-01	A Site Meeting be convened with Mr J Winslade Mr P Betty and Dir Ops at various sites around Othery, Middlezoy and Westonzoyland to review access for channel cleaning works and to discuss funding, including grants.”	Dir ops
P/20191007-02	To prepare a formal letter, to be reviewed by Ashfords Solicitors, of further justification of the Boards’ claim to Somerset County Council regarding the collapsed Culvert at Admiral’s Table.	Clerk & Dir Ops