

**LOWER MEDWAY INTERNAL DRAINAGE BOARD**



**MINUTES OF A MEETING** of the **Finance Committee** held at  
**The Boards Offices, 17 Albion Place, Maidstone**  
on **Monday 26 March 2018**

**Members of the Committee Present**

Chairman: H Neaves

S Batt  
D Dewar-Whalley  
R Hinge  
J C Lewis

In attendance

M D Watson - Chief Executive  
P Bush - Technical Engineer  
L Collins - Office Administrator

**1. APOLOGIES FOR ABSENCE**

Apologies were received from S Mair.

**2. MINUTES**

**RESOLVED** that the Minutes of the Finance Committee Meeting held on 27 November 2017 are correctly recorded and that they be signed by the Chairman.

**(As attached to these Minutes)**

**3. MATTERS ARISING FROM PREVIOUS MINUTES**

**Minutes of 10 July 2017**

**Item 9 – Financial Risk Assessment**

Members were informed at the last meeting that all documents will be fully reviewed once both Boards have made the relevant comments/amendments required and the Internal Audit Sub Committee has reviewed at their meeting in December 2017.

**REPORTED** that the Internal Audit Sub Committee decided at their meeting that the respective Finance Committees should review and carry out the proposed

amendments, then the revised document be represented to the Internal Audit Sub Committee for comment.

**RECEIVED** the relevant pages of the Internal Audit Sub Committee Minutes where the Boards Risk Register/Financial Risk Assessment was discussed.

**(As attached to these Minutes)**

**RECEIVED** the Boards Financial Risk Register/Financial Risk Assessment.

**(As attached to these Minutes)**

Members agreed at a previous meeting to review this document twice a year in conjunction with the Upper Medway IDB.

Members were reminded that any changes made within the Finance Risk Register may also affect the wording of the Financial Regulations. Other documents such as the Standing Orders may need cross-referencing too as a result.

Members were informed that the Internal Audit Sub Committee has also made comments regarding the Boards Financial Regulations. Once the Financial Risk Register/Financial Risk Assessment has been agreed, this document will be discussed and reviewed at the next meeting.

The Chief Executive explained that this document keeps going between each Board, then the Internal Audit Sub Committee for comment and review, but not actually being agreed and signed off.

**REPORTED** that the Chief Executive recommends that as this is a Board document, it should be the Board that ultimately approves it and as such has included the item on the main Board Agenda.

D Dewar Whalley explained that General Data Protection Regulation (GDPR) comes into force on 25 May 2018 and this should be included on the Risk Register/Risk Assessment. The Board should have a nominated person who is responsible for compliance. This also applies to Freedom of Information.

D Dewar Whalley then explained that the management/control of risk section is too brief, it needs to be more specific. He is aware that there are satisfactory management procedures in place, but these are not reflected anywhere in this document.

A lengthy discussion took place and members **AGREED** that the document in its current format should be presented to the Board for approval.

D Dewar Whalley offered to come in and see Officers to assist with the management/control of risk narrative, which can then be discussed by members at the next meeting.

All members in attendance were in agreement of D Dewar Whalley's offer of assistance, as he clearly had a good understanding of what is required.

**Minutes of 20 November 2017**

**Item 10 – Any Other Business – Banking**

At the last meeting Members were informed that there had been a review of the Boards current banking requirements. Autopay (the Boards current method of paying employees) is being phased out, so consideration needs to be given to an alternative method of paying employees.

Also, currently the Board has enjoyed the benefits of free banking for many years and NatWest advised that this will have to come to an end.

S Mair explained that his company had experienced a similar situation and had made a decision to switch banks. It was suggested that the Board may wish to consider switching their banking requirements to Handelsbanken.

**REPORTED** that a meeting took place with a representative from Handelsbanken on 17 January 2018 to provide them with an understanding of our banking requirements, in order that a proposal could be put together.

**REPORTED** that a further meeting was held with NatWest on 25 January 2018 when costings were provided which would apply to the Board with effect from 1 April 2018.

**RECEIVED** a report detailing the costings from both banks.

**(As attached to these Minutes)**

**REPORTED** that NatWest are pushing for the Board to move towards electronic banking only and are able to offer the Board online banking facilities which can be as complicated or as basic as members require.

**REPORTED** that Handelsbanken has explained that they can be flexible towards the Boards banking requirements. They are happy to issue cheque books and paying in books in order for the Board to continue operating as it currently does. However, there is online banking facilities available which could be set up for viewing accounts and/or transferring funds between internal accounts, or to make electronic payments in line with the Boards Bank Mandates.

In both electronic banking options, Bills Committee Members and Officers will be issued with independent login details.

Members held a lengthy discussion.

Members **AGREED** that in view of the charges that would be applicable from 1 April 2018 with NatWest Bank, the Board should change its banking to Handelsbanken.

**4. BILLS COMMITTEE**

**RECEIVED** the Minutes of the Bills Committee Meetings held on 27 November 2017, 18 December 2017, 29 January 2018 and 5 March 2018.

**(As attached to these Minutes)**

**REPORTED** that at the November Bills Committee Meeting S Batt queried the £3,197.66 cost of the Derek Gow Consultancy Ltd invoice for carrying out a water vole survey.

J Lewis also queried this cost.

The Office Administrator explained that unfortunately there are not many companies qualified to undertake this task and their charges are not negotiable.

S Batt also queried the £793.92 cost of the Agwood Ltd invoice for servicing and replacing the fuel pump on the fuel bowser. He wondered how much a new fuel bowser would cost.

The Office Administrator explained that she didn't know how much a new fuel bowser would cost, but the repair cost would have been checked out and agreed before authorising.

S Batt also queried the £1,454.53 cost of the Haynes of Maidstone invoice for fitting a transport stop to a flail mower. He wondered why this wasn't done at the time of purchase.

The Office Administrator explained that this is something the Technical Engineer had picked up on and has also queried. This part is not automatically fitted at the time of purchase, it has to be requested to be included in the specification.

**REPORTED** that at the January Bills Committee Meeting J Lewis queried a Taylor Brothers Ltd invoice for £372.00 relating to low loader moves for the excavator over the Christmas period to reduce the risk of vandalism. J Lewis wondered why the Board would be paying for this and has the Board got to pay to take the excavator back out to site after Christmas?

S Batt also queried this invoice.

The Office Administrator said she would have to go back to the office and speak to the Chief Executive and the Works Supervisor to find out.

**REPORTED** that the Works Supervisor has spoken to Taylor Brothers about this and a credit note is going to be raised to cancel the low loader move from watercourse 90 to Taylor's yard during December 2017.

S Batt also queried the electricity charge for washing the hand towels each week.

## **5. BANK BALANCES**

The Bank Statements were produced for the Chairman to sign and showed balances as at 28 February 2018:

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NatWest Treasurers Account	£49,662.53
NatWest Imprest Account	£12,202.37
NatWest Special Interest Account	£718,852.44
HSBC	£200,089.50
Lloyds Bank	£200,068.80
Santander	£200,060.99
Handelsbanken	£200,037.40
<b>TOTAL BANK BALANCES</b>	<b>£1,580,974.03</b>

**6. RATES AND SPECIAL LEVY**

**REPORTED** that the Rates and Special Levies collected as at 28 February 2018 amounted to £1,364,389.20, which represents 99.95% of the total due for the year.

**RECEIVED** a draft copy of the 2018/2019 newsletter before it is issued with the rating demands during April 2018.

**(As attached to these Minutes)**

The Office Administrator informed members that ADA had recently issued a notice which may be helpful to IDBs regarding the General Data Protection Regulation (GDPR) which comes into force on 25 May 2018.

The notice was available for members to view.

The Office Administrator asked whether members were happy for this notice to be included with the newsletter.

D Dewar Whalley requested this notice be emailed to him for further review and comment.

All members present were happy for D Dewar Whalley to review and comment on this notice, as he clearly had a good understanding of what is involved.

**7. RECHARGABLE WORKS**

**REPORTED** that the following amount for rechargeable work has been invoiced since the last meeting:

UMIDB                      £297.61

**REPORTED** that the following amount for rechargeable work has been received since the last meeting:

UMIDB                      £297.61

## 8. REVIEW OF EXPENDITURE

**RECEIVED** details of the Boards expenditure to date.

**(As attached to these Minutes)**

The Office Administrator explained that there were currently nine areas of overspend. However, 3 of which have previously been reported.

**REPORTED** Labour on-costs Protective Clothing & Equipment is currently £687 over budget. This is mainly due to purchasing traffic management road signage at a cost of £543.70 and the water machine installed at the depot costing £20 per month which had not been budgeted for.

**REPORTED** Labour on-costs Light Plant & Equipment is currently £7 over budget. This is due to the purchase of a boost battery jump pack at a cost of £720. However, this piece of equipment is going to be shared by both Boards, therefore, it cost the Lower Board £360.

**REPORTED** Depot Insurance currently £1,069 over budget. This overspend has already been reported and is due increasing the level of tool insurance, as it was agreed that the current figure was far too low in light of the equipment the Board has purchased over the last couple of years and increasing the alarm cover and just under estimating the potential increase in the insurance premium renewal.

**REPORTED** Labour on-costs Cleaning Supplies & Maintenance is currently £27 over budget. Under estimated the expenditure when compiling the estimates/budgets.

**REPORTED** Depot Equipment Supplies is currently £937 over budget. This overspend has already been reported and is due to the depot refurbishment which included the purchase of units & worktops in the mess room at a cost of £485 and the purchase of table, chairs and a fridge at a cost of £318.79.

**REPORTED** J/A Office Costs Insurance is currently £1,284 over budget. This overspend has already been reported and is mainly due to increasing the level of cover in place for the office computers and laptop, along with business interruption cover. Subsidence cover was also added to the Boards policy, in light of the new buildings that have been built close by. Health & Safety advice has also been added on to the Croners policy at a cost of £282.

**REPORTED** J/A Administration Costs Publications is currently £248 over budget. This overspend has already been reported and is due to the fee incurred for the IAS19 report (pension liability report). Last years report cost £418. This years report cost £473. Such an increase was not expected at the time of setting the budgets.

**REPORTED** LM Administration Costs Printing/Stationery/Sundries is currently £32 over budget. This is due to the purchase of ID cards for officers and workmen, which had not been budgeted for.

**REPORTED** Bells Pump Station is currently £1,642 over budget. This overspend has already been reported. It was anticipated that there would not be any expenditure on the existing Bells Pump Station. All of the estimated expenditure was predicted for the new pumping station - £2,500,000. The costs spent to date on the existing pump

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station relate to insurance, electricity and remedial repairs carried out following an EICR Inspection to ensure the pump station complies with legislation.

D Dewar Whalley queried the estimated expenditure £7,500 and the actual expenditure £77 for the Depot Rates.

The Office Administrator explained that business rates and water rates are included under this heading. When the depot lease was signed the Board were informed that business rates may apply, however, to date no bill has been received for business rates.

S Batt explained that this may be because the site is classed as a farm building.

D Dewar Whalley felt it would be useful if these costings could be split in future.

D Dewar Whalley also queried the estimated expenditure £1,600 and the actual expenditure £412 for the Depot Heating & Lighting.

The Office Administrator explained that there had been a problem with British Gas and their billing. Despite submitting regular meter readings British Gas have not managed to send regular bills to reflect the usage. Hopefully, they will have rectified this problem by the end of the financial year.

## 9. ANY OTHER BUSINESS

### **Estimates Meeting**

Members were reminded that the Technical Engineer explained at the last Estimates Meeting that most businesses carry out their estimates/budgets with 34 weeks worth of costs to compare trend.

**REPORTED** that 34 weeks in to the year is week ending 24 November 2018.

Members were reminded that the Board is scheduled to approve the Annual Estimates and set the penny rate on 3 December 2018.

**REPORTED** that last year the estimates were compiled using 21 weeks worth of costings.

Members were asked to consider rearranging the Estimates Meeting currently scheduled on 29 October 2018 and may also wish to recommend rescheduling the Board Meeting date.

**REPORTED** that the Upper Board at their meeting agreed to hold the Estimates Meeting mid December with a view to setting the penny rate at a Board Meeting scheduled for mid January to allow more realistic costs to be used to produce the Estimates paperwork.

Members **AGREED** that the Estimates Meeting should be postponed until early December, but felt that they should also hold a Finance Committee Meeting at the same time to review the Boards current expenditure.

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Members **AGREED** that the Board Meeting should be postponed until January to agree and set the penny rate.

This recommendation is to be presented to the Board at their meeting for approval.

## **10. CLOSURE**

There being no further business the Chairman thanked Members for their attendance and declared the meeting closed.