

UMIDB
UPPER MEDWAY INTERNAL DRAINAGE BOARD



MINUTES OF THE MEETING of the BOARD
held at 17 Albion Place Maidstone
on **Monday 16 December 2019**

Members of the Board Present

H Rogers - Chairman

O Baldock
M Boughton
D Goff
P Harper
C Mackonochie
J Perry
G Swift
R Thomas
C Wheeler

In attendance

M D Watson - Chief Executive
J Murphy – Finance Officer
O Pantrey – Technical Assistant

1. APOLOGIES

Apologies received from M Davis and S McGregor, S McLeod and S Highwood.

2. ITEMS OF INTEREST DECLARATION

None of the Members present declared a pecuniary and/or non pecuniary interest in any of the items to be discussed on the Agenda.

3. FINANCE COMMITTEE MINUTES

RECEIVED the Minutes of the Finance Committee Meeting held on 12 and 27 November 2019.

(As attached to these Minutes – Appendix 1)

4. ESTIMATES AND SPECIAL LEVIES

RECEIVED a copy of the revised Board's Estimates for the 2020/2021 financial year.

(As attached to these Minutes - Appendix 2)

The Chairman explained the purpose of today's meeting was to resolve the new penny rate for 2020/2021. He explained that the finance committee had discussed it at length and had included a 'finance note' received from Maidstone Borough Council (MBC). He also welcomed M Boughton to the Board from Tonbridge and Malling Borough Council.

The Chairman indicated that there was a new note released by MBC on the Friday just gone, and that there had not been time to circulate it to all Members.

The Chief Executive then presented the past papers from previous minutes and a simplified accounts sheet. He explained the income and expenditure items in detail for the current year and next year.

The Chief Executive explained that high costs for computer products was due to a long outstanding, but not previously requested, invoice from Pantec for the server hardware and software.

O Baldock asked about Pantec's costs for the new desktop computers. The Technical Assistant informed him that Pantec offered a good value for money option.

The Chief Executive asked if there were any questions and if everyone was happy with the budget for next year.

The Chief Executive then moved to show the how the proposed 10% increase in rates and levies would fit in to the financial projections for the next 5 years. Pointing out that a 10% increase next year would mean a 22% increase the following year to avoid the Minimum bank balance policy reserve of £350k. He explained the suggestions regarding levy increases from previous minutes and invited Members to raise questions and input.

J Perry suggested that the Board's cash reserves were too high and wanted to consider other options for building of the new office.

O Baldock said this sounded like the new Scout Hut that never gets built but is always collecting funding.

R Thomas said it made sense to joint build and share the costs.

The Chief Executive explained it was a new depot and office complex that was being considered.

D Goff reminded Members that this was a decision in the interest of the Board and not MBC and that should be remembered.

P Harper said that borrowing was not an uncommon way to fund public service projects such as this and that interest rates were currently very low. He suggested the loan may be at 2% interest.

J Perry said that MBC and other councils were not pots of money that could be called on at will.

R Thomas asked what was the best deal for the money spent? He suggested that the election result offered stability and that we should take advantage of low interest rates and borrow.

C Wheeler interjected with the suggestion that £800k was too much for half an office and that it was too expensive.

The Chief Executive said that returns would be received on the sale of the Albion Place site. He also said we would be paying £64k in interest if we took out a £300k loan over 20 years. J Perry said it could be borrowed over 50 years if needed if we used the Public Works Loans Board.

The Chairman reminded everyone that the Board had agreed already to fund half the costs of the office.

D Goff commented that the revenue reserve figure was set with the councils present and in agreement and was in fact suggested by all the financial leaders of the local authorities.

The Chairman said he saw the money as a pure cash reserve and that the new office fund was available as and when we needed it.

The report of the internal Auditor was discussed, and the Chief Executive mentioned that he would not have a good view of the Board if we didn't plan for the future. J Perry asked if the auditor was internal or external and said the Internal Auditor had no authority outside of advice.

P Harper suggested the Board could take back the £160k already put aside and add it to the current bank balance, then borrow the money and stop putting in £80k for the next 3 years.

The Chief Executive explained that even without the £80k per year set aside, there was a need for an increase and that this was essentially kicking the can down the road.

J Perry said that is what we (public bodies) always do.

P Harper repeated that we could release £160k back into the bank account to buffer the change in approach.

The Chief Executive informed everyone that firm costings for the office move were yet to be produced, but we should not be looking to move premises again after this.

The Chairman declared a decision needed to be made and offered the Members to make proposals on the levy increase.

P Harper said that the depreciation money could even be used to maintain the £350k minimum balance and that even after some confusion surrounding how depreciation was calculated, a 2% rise would cover the Board's cash needs.

D Goff said that the Board lacked vision and needed to plan further ahead. He added that the reserves were a good buffer for any plans.

R Thomas requested that we get the new office costs sorted as soon as possible then make a better decision. Until such a time they should refrain from making changes to existing decisions.

The Chairman asked the Chief Executive to elaborate on the Board's previous decisions to put £80k a year aside.

The Chief Executive explained that it was based loosely on saving £350k over 4/5 years, since we had the rough cost of an office based on a similar size as the one we need.

R Thomas then proposed that estimated prices for the new office should be sought before the next Meeting of the Board before they decided on how to pay for it.

P Harper seconded.

It was **AGREED** unanimously that cost estimates for the building/renting of a new office would be prepared and presented to the next Board Meeting.

P Harper then proposed to remove the £80k yearly saving figure from the budget.

J Perry seconded.

It was **AGREED** to remove the £80k saving payment from the budget.

6 votes For (all council representatives). 3 Abstained.

P Harper then proposed a 2% rate increase in the penny rate for the year 2020/2021.

J Perry seconded.

The Chief Executive added that the Board should really consider a higher figure to smooth out the future rises that were predicted.

Vote held.

It was requested that the minutes of this meeting should include a record of the Members voting for and against the proposal.

7 votes For. 1 vote Against. 1 Abstained.

All Members voting for 2% were representatives from councils. The 1 Member who voted against the proposal was D Goff. The 1 Member who abstained was C Wheeler.

It was **AGREED** to set the penny rate at 3.6944 and that the Chief Executive and the Chairman should sign the Drainage Rates & Special Levies Certificate.

5. PRIVATE & CONFIDENTIAL MATTERS

Members were reminded that all matters discussed relating to employees of the Board should at all times be treated as confidential. Members were reminded once again that there could be implications for the Board under Data Protection and Employment Law if matters discussed were disclosed to others.

O Baldock extended his thanks to the Chief Executive for the way he has dealt with and brought to a conclusion the recent personnel issues.

6. DATE OF NEXT MEETING

There being no further business the Chairman declared the meeting closed, thanked the Board for their attendance and that the date of the next Board Meeting, previously Tuesday 21 January, be moved to March.

All **AGREED**.

The next Board Meeting has since been arranged for Tuesday 24 March.

He wished everyone a Merry Christmas and a Happy New Year.