

MINUTES of Meeting of Finance Sub-Committee held on Tuesday 2nd June 2015 at the Ouse & Derwent Offices, Crockey Hill, York

PRESENT

Mr R E Britton (In the Chair)
Mr J Hopwood
Mr J Daniel
Cllr B Marshall
Cllr J Cattanach
Mr S Wragg

The Clerk – Mr Bill Symons
Finance Officer – Mrs F Bradley

All Sub Committee Members were present.

APOLOGIES FOR ABSENCE

DECLARATION OF INTEREST

There were no further declarations of interest related to the items listed on the Agenda.

MINUTES OF LAST MEETING

It was UNANIMOUSLY AGREED that the Minutes of the Meeting held on the 20th January 2015, a copy of which had been sent to all Committee Members, this including a private and confidential item minute which was also attached, be taken as read and APPROVED and that they be forthwith signed by the Chairman as a correct record.

MATTERS ARISING

The Clerk reported on the Board's progress towards recruiting a member for the Board's workforce following the promotion of Mr P Simpson as the Board's Foreman.

There were no further matters arising from the Minutes that were not covered under the Agenda items.

SCOPE OF FINANCE AND GENERAL PURPOSES SUB COMMITTEE

The Clerk had circulated with the Agenda the current Scope of the Finance and General Purposes Sub Committee document for review.

The Sub Committee after considering the document RECOMMENDED that the document without any changes is accepted by the Board as the Scope of the Finance and General Purposes Sub Committee.

FINANCIAL REGULATIONS

The Clerk had circulated with the Agenda the current and draft new Financial Regulations for the Board.

The Sub Committee after considering the document RECOMMENDED that the draft document without any changes is accepted by the Board as the Boards new Financial Regulations.

DEPOSIT
ACCOUNTS BANK
AND BUILDING
SOCIETY
INVESTMENTS

The Clerk informed Members the Board were reducing the deposit accounts with the Yorkshire Bank down to £85,000. The Board is struggling to find an account for the Boards deposits. Currently the Board is looking at the Aldermore Bank and the Beverley Building Society. The Clerk was asking if Members could consider that the Chairman and Vice Chairman could be given delegated Authority to open and authorise the transfer of the Boards funds into a business deposit account of up to £85,000 on no more than a one year deposit. This only in a UK Regulated current or savings account covered by the Government backed financial services compensation scheme (FSCS).

The Sub Committee after considering the proposal from the Clerk RECOMMENDED the proposal be approved by the Board in regard to opening and transferring the Boards funds into deposit accounts.

AUDIT COMMENTS
ON ACCOUNTS
2013/14

The Clerk had circulated with the Agenda a copy of the External Auditor comments (Section 3) in the IDB audit return for reference. The top box does not include any qualifications regarding the Boards audit. In the second box 'Other Matters not affecting the External Auditors opinion' reference is made to revised guidance in respect to the treatment of fixed assets.

The Clerk informed Members that as this guidance has not been communicated it cannot be applied to this year's audit. No comments were made by the Internal Auditor in Section 4 of the Form for Financial Year 2013/14.

AUDIT OF
ACCOUNTS 2014/15

The Clerk reported that the Board's external auditors are Littlejohn LLP for the accounts being considered.

The Clerk reported that the Board's accounts have now been internally audited with the Board's internal auditor signing off the Board's Annual Internal Audit Report along with Section 3 of the IDB return.

The Finance Officer ran through the details of the Board's accounts which had been prepared for the year-end 2014/15. A copy had been circulated to the Sub Committee Members prior to the meeting with the Agenda.

The Committee after considering these accounts and the Audit Commission IDB Return Form RECOMMENDED that the Board APPROVE the Accounts and Governance Statement and authorise the Chairman and Clerk to sign them.

REVIEW OF THE
EFFECTIVENESS OF
INTERNAL
CONTROL 2014/15

The Clerk read out and made reference to the Internal Auditors Review letter on the internal controls a copy of which had also been enclosed with the Agenda.

This in summary has identified that:

- The Auditor is concerned about business continuity should key members of staff not be available in the Consortium along with segregation of duties;
- The Auditor has highlighted at Board meetings the number of elected members regularly exceeds the members appointed. The Auditor noting that the appointed members should outnumber elected members by at least one to ensure appropriate consideration of what could be 'contentious' matters.

Members discussed the number of Members on the Board. This following the progressing reconstitution of the neighbouring Selby IDB. This along with the historical divisions of the Board.

The Committee considered the report and accepted the letters content.

TERMS OF
REFERENCE FOR
THE INTERNAL
AUDIT 2015/16

The Clerk had circulated a draft document for the Scope for the Board's Internal Audit with the Agenda. This document following the Audit Commissioner's guidance is required to be able to review the effectiveness of the Internal Auditor if required when the internal audit is complete.

The Sub-Committee considered its content and UNANIMOUSLY AGREED to recommend the acceptance to the Board for the Scope of the Internal Audit to be able to formally review the effectiveness of the internal audit for financial year 2015/16.

It is noted that the guidance from ADA on the Governance and Accountabilities in Internal Drainage Boards in England a Practitioners Guide (2006) was last updated in 2007. It is likely that this document could be updated in the future which could have implications to the required scope of audit for Boards.

ACCOUNTS FOR
CONFIRMATION

The Clerk referred to the list of accounts paid since the date of the last Meeting, which had been circulated to all Sub Committee Members with the Agenda.

The Committee reviewed and considered the list of accounts for confirmation and AGREED to RECOMMEND APPROVAL to the Board.

(SEE APPENDIX TO MINUTES)

INSURANCE

The Clerk reported that the Board's Insurance is due for renewal in early June. The Clerk had included a chart with the Agenda showing the previous year's costs and **provisional** estimated costs for this year's cover from the Board's Insurance Brokers, Towergate.

Cover	2013	2014	2015 Provisional	2015 Invoiced post meeting
Business Combined	£5,623.55	£6083.22	£6150.00	6258.42
Engineering Inspection	£1,424.44	£1439.84	£1500.00	1,618.02
Engineering Insurance	£156.00	£176.26	£176.00	171.26
Hired in Plant		Consortium Shared policy	Consortium Shared policy	
Directors & Officers Liability	£736.00	£776.00	£776.00	746.00
Professional Indemnity	Not Provided	Not Provided	Not Provided	Not Provided
Motor Fleet	£2,694.51	£2,757.21	£3700.00	3,754.55
Legal Expenses	£53.00	£53.00	£82.00	82.15
Loss Recovery Service	£210.00	£210.00	£210.00	210.00
Total	£10,898.50	£11,455.53	£12,594.00	12,840.40

The above chart includes insurance premium tax and VAT. The increase on the business combined is because of the increased turnover of the Board. The increase on the fleet policy is related to the increased cost of insuring the motor fleet and addition of the Boards tracked excavator recently purchased.

Professional Indemnity Insurance

The Clerk noted that the Board no longer sustained its Professional Indemnity Insurance, as it no longer used a consultant or directly employed Engineer. The Board's engineering advice being provided through the Consortium Arrangements. The employing Board being the Foss (2008) IDB who currently have Professional Indemnity Cover.

Hired in Plant

The Clerk informed the Sub Committee that a shared policy with other Boards in the Consortium was now in place. This provides cover for the Board if it wishes to hire in plant and equipment for its own usage. This however does not provide cover for road usage.

The Sub Committee Members considered this information provided along with the schedule of covers. The Sub Committee RECOMMENDED to the Main Board that it endorses the Board renewing its insurance cover on this basis for continuity. However if any changes are required these can be organised with the Board's Insurance Brokers following renewal.

OPENING OF AND CONSIDERATION OF TENDER DOCUMENTS

The Engineering Assistant had circulated a report at the meeting regarding the Board's position with its proposed contracted in maintenance work. This takes account of the workforce vacancy being created when Mr P Simpson was promoted to the post of the Board's Foreman. It still being possible the Board may fill the vacancy prior to the start of the Board's main maintenance season in July which will influence the amount of work contracted out. This however will be linked in with the ability of any new recruit particularly with his abilities in machine operation.

Flailing

The Clerk reported that three tender submissions had been received for the Board's annual flailing contract. The Chairman opened the tender documents and read out the tendered rates at the meeting.

The table below shows the rates quoted.

	Rate/Linear Metre	Extra Hourly Rate
AAT Bowman	23p/metre	£30
T Cooke & Son	20p/metre ranges from 16p to 28p in relation to number of cuts Most work in 20p/ metre range	Varies
Rob Brownbridge Agricultural Contractor	£6.00 per 22yards (chain) asked for in lin metres 1 yrd =.914 m 20.1m equates to 29.9p/metre	£30 unclear if it includes Operator £12.00

The Clerk informed members that the costs of T Cooke & Son and AAT Bowman are close and appear cheaper than Mr Brownbridge. It is noted that both T Cooke & Son and AAT Bowman have the availability of at least two machines and previous knowledge of this work in the District.

The Sub Committee Members considered this matter in detail and recommended to the Board that the Engineering Assistant should be asked to consider how the Board would wish to award the work. Any award would be subject to confirmation and checking of the completed tender documents and the provision of required documents and satisfactory completion of the Board's health and safety questionnaire.

Sludging and Weedcutting

The Clerk reported that three tender returns had been received for the Board's annual sludging and weed cutting works.

The Chairman opened the tender documents and read out the tendered rates. The table below shows the rates quoted.

	Rate/Hour	Piling Hammer	Tree Cutter	Low loader
Sweeting Brothers	8 ton £14.50 20 ton £28.50 12 ton £26.00 plus operator at £18.50/hr. weedcutting basket £3.25	£4.25/hour	£4.50 per hour	£210
Wrights of Crockey Hill	16 ton £29.50. 8 ton £27.50 JCB £25.25 Operator included Weed cutting basket£5.50 an hour	£50/ day	£100 /day	£135
Hagrapat Tender	20 ton £35 13 ton £32 7 ton £27.00 Plus £18/hour transport Weed cutting bucket £10/hour	£10/ hour	£-	£250

Review of Tenders

The Committee considered the submitted tenders. The variation in the production of the rates caused an element of confusion. The tenders submitted indicated that Wrights of Cockey Hill and Sweetings were close. Hagrapat rates appeared slightly more expensive.

The Clerk reported that Wrights of Cockey Hill further charge an overtime rate of an additional £7.50 per hour for work beyond 8 hours. Wrights of Cockey Hill are local and carried out the work for the Board last year.

The Sub Committee Members considered this matter in detail and recommended to the Board that the Engineering Assistant should be asked to consider how the Board would wish to award the work. Any award would be subject to confirmation and checking of the completed tender documents and the provision of required documents and satisfactory completion of the Board's health and safety questionnaire.

DATE OF NEXT MEETING

Tuesday 6th October 2015 at 1pm. This being prior to the Board meeting on 20th October 2015.

FUTURE MEETINGS

Tuesday 19th January 2016 at 1pm. This being prior to the Board meeting on 2nd February 2016.

ANY OTHER BUSINESS

Purchase of a Fuel Tank with Garage Closed

The Clerk reported that the Board had purchased a white diesel fuel tank with the local garage being closed whilst it was being rebuilt.

Purchase of a New Plant Trailer

The Engineering Assistant reported that the Board required an additional small trailer the details of which had been provided at the meeting in a report which included two quotes.

The Sub Committee agreed it was best to purchase an Ifor Williams trailer. Mr J Hopwood having recently purchased one because of the noted reliability. Members discussed the prices quoted and agreed to recommend the purchase to the Board in the sum of £1,800 plus VAT or better for a 10' trailer.

Germany Beck Developers Proposals

The Clerk informed the Board has refused consent to some aspects of the work as proposals compromise the Boards access. The developer has noted that the watercourse can be maintained without access and has offered to pay by various methods for alternative measures. The Clerk is seeking the forum for the Board to consider any offer as any proposal could create a future precedent.

The Sub Committee considered this matter and decided that the Clerk and Chairman (as the possible local representative) should progress a meeting with the developer if requested by the developer rather than any larger meeting. Mr S Wragg also offering to attend in considering any proposals made. The Sub Committee to consist of Mr S Wragg, the Boards Chairman and Clerk if required to hear any proposals.

Cllr J Cattanach suggested it would be useful if the developer was aware or had experience of this type of work where it had been carried out.

Derwent House Improvements

The Clerk reported that the Board had carried out the boiler replacement having obtained three quotes for the replacement.

The Finance Officer reported that quotes were being obtained for outside painting of the Boards offices along with replacing the front door.

Problems at Elvington Pumping Station

The Sub Committee discussed the on-going problems at Elvington Pumping Station through lack of regular usage.

There being no further business the Chairman declared the Meeting closed.

(APPENDICES TO FOLLOW)