

MINUTES of Meeting of Finance Sub-Committee held on Tuesday 1st June 2021 via Microsoft Teams Online Meeting due to Global Pandemic. No attendance at the Ouse & Derwent Offices, Crockey Hill, York

PRESENT

Cllr J Cattanach (In the Chair)
Mr J Hopwood
Mr R E Britton
Mr J Daniels (second part of meeting)

The Clerk – Mr W Symons
Finance Officer – Mrs F Bradley
Engineering Assistant – Mr N Culpan

The Chairman informed he may have to leave before the end of the meeting.

Apologies for absence were received from Mr J Daniels for the early part of the meeting.

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

The Clerk further informed Members that the Register of Members Interests was available for inspection and update as required.

The Clerk informed that the Chairman had instructed him to call the meeting as a virtual meeting because of the ongoing virus pandemic. This was required as the ability to hold virtual meetings after 7th May had expired in the Boards Standing Orders. This was on the basis that new Standing Orders based on the latest Defra Model Document are considered and approved as the first item on the Agenda.

The Clerk had included with the Agenda a copy of the draft of the proposed revised Standing Orders for Members consideration. The proposed changes allowing for remote meeting attendance and venue-based meetings permanently.

He further informed that he had confirmed with ADA that the document could be amended slightly so that the appointment of Chairman and Vice Chairman could be for a period of three years rather than one.

APOLOGIES FOR ABSENCE

DECLARATION OF INTEREST

STANDING ORDERS FOR REMOTE MEETINGS

ADA have provided appropriate wording for the change which is included in the document along with agreeing the Boards quorum meeting attendance requirement could be sustained as eight rather than 2/3rds of the Membership. If implemented this would have required attendance at fifteen. It however is recognised the Board is seeking to formally reduce its Membership numbers and the quorate number accepted as eight.

The Sub Committee Members had reviewed the documentation and recognised the importance at the current time to conduct Board meetings in this way.

The Sub Committee Members UNANIMOUSLY AGREED to recommend that the Board adopts the Draft Standing Orders in particular so that formal meetings can be held remotely due to the current virus pandemic.

MINUTES OF LAST MEETING

It was proposed by Mr R E Britton, seconded by Mr J Hopwood and RESOLVED that Minutes of the Sub Committee Meeting held on 12th January 2021, a copy of which had been sent to all Members, be taken as read and approved and that they be forthwith signed by the Chairman as a correct record.

MATTERS ARISING

There were no matters arising from the Minutes which were not covered in the Agenda.

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.

REVIEW OF THE AUDITOR CERTIFICATE 2019/20

The Clerk reminded Members of a letter from the Audit Commission which was circulated a few years ago. The letter clearly highlighted the requirements, which the Clerk has reflected in the Agenda items since, for the returns for the 2020/21 year-end audit. This is to try to ensure compliance and to avoid audit requalification.

The Clerk had circulated with the Agenda a copy of the External Auditor comments of 2019/20 (Section 3) in the IDB Audit Return for reference. The top box of the form includes that the External Auditor believes ‘On the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.’ In the second box ‘Other Matters Affecting the External Auditors Opinion’ no comments are made.

The Clerk reported that no comments were made by the Internal Auditor in Section 4 of the form for Financial Year 2020/21.

REPORT ON THE SYSTEM OF INTERNAL CONTROL

Review the Effectiveness of Internal Control

The Clerk noted that the Board had previously agreed for its Internal Auditor to review and report on the Boards System of Internal Control. The Clerk had circulated a copy of the report for the year ending 31st March 2021 with the Agenda.

The Clerk noted the matters raised included continuity of service in the York Consortium, segregation of duties and representation at Board Meetings in decision making particularly with ‘Council Nominated Members.’ These matters were reviewed and discussed at the meeting by Members and the report content noted.

Consider the Findings of the Review

The Clerk will consider the matters raised and incorporate in the Boards Business Risk Assessment for the current financial year. The document will be included for review at the next meeting of the Board.

The Sub Committee considered the report and it was UNANIMOUSLY AGREED to recommend the Board accepted the reports content.

APPROVAL OF THE ANNUAL GOVERNANCE STATEMENT

The Clerk informed the Audit Commissions Annual Return has been completed for 2020/21 which includes the Governance Statement Section 1. A copy of the Statement was circulated with the meeting agenda.

ACCOUNTING STATEMENTS

The Committee considered Section 1 of the Annual Return and it was UNANIMOUSLY AGREED to recommend the Board approved the Annual Governance Statement. Then also for the Board to agree for the Chairman and Clerk to sign Section 1 – Annual Governance Statement 2020/21.

Consideration of the Accounting Statements

The Clerk reported that the Board’s External Auditors are Littlejohn LLP for the accounts being considered. The Auditors are now contracted directly to audit IDB accounts. This being established through a framework contract open to small local public organisations such as parish councils and IDBs to use.

A copy of the accounts was circulated with the meeting Agenda for the year-ending 31st March 2021. The accounts having been internally audited, with the Auditor having completed and signed off Section 3 Annual Internal Auditor Report 2020/21 of the IDB return.

The Finance Officer ran through the details of the Board’s accounts.

Approval of the Accounting Statements by Resolution

The Sub Committee considered Section 2 of the Annual Return and RECOMMENDED the Board APPROVE the Annual Accounting Statement for 2020/21.

Authorise the Chairman to Sign and Date the Statements

The Sub Committee considered Section 2 of the Annual Return with the accounting statements and it was RECOMMENDED that the Board authorises the Chairman and Clerk to sign and date Section 2 – Accounting Statements 2020/21.

The Sub Committee further recommended that the Board authorised the Chairman and Clerk to sign and date the balance sheet of the accounts.

TERMS OF REFERENCE FOR INTERNAL AUDIT

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.

ACCOUNTS FOR
CONFIRMATION

INSURANCE

ENGINEER'S
REPORT

The Clerk noted that the guidance from ADA on the Governance and Accountabilities in Internal Drainage Boards in England a Practitioners Guide (2006) updated 2007 has been updated more recently but this now puts the onus on the Board to define the scope of its own internal audit.

The Sub Committee considered its content and UNANIMOUSLY AGREED to recommend the acceptance of the Board for the Scope of the Internal Audit to be able to formally review the Effectiveness of the Internal Audit for financial year 2021/22.

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)

The Clerk reported that the Board's insurance policies are due for renewal in early June. However, the overall cost summary had not yet been provided from the Insurance Broker's 'Towergate' and therefore the item will have to be included as an agenda item for the 'Main Board' meeting. The policies however are going to require to be renewed to provide continuity of cover. The Board however at its main meeting will be able to review the covers and costs if required and any changes if needed can be organised with the Board's Insurance Brokers following the renewal. The Clerk highlighted that since the lockdown insurance cover is becoming more difficult to achieve and may have an impact on cost.

The Clerk noted that changes may occur with the purchases of new equipment or if the Board wishes to change the covers provided.

The Sub Committee Members were happy for this approach to be taken and accepted the position on the Boards insurance.

Mr J Daniels joined the meeting at this stage.

The Engineering Assistant had circulated a report with the Agenda which he ran through highlighting the items raised.

Kelfield Ings Pumping Station

Mr R E Britton asked if the Kelfield Ings works had been appropriately quoted/tendered for.

The Engineering Assistant informed that that it had with much of the detail tabled and recommended for agreement at the last meeting.

Replacing the Boards 2009 Ford Ranger Pick-up

The Engineering Assistant had included three different options for potentially replacing the Boards Pick-up including part exchanging the old one. The cost for which is included in the budget for plant renewal for the current financial year.

The Engineering Assistant informed that production of new pick-ups was being delayed because of a shortage of electrical components so delivery could be in a number of months, possibly five to six depending on what vehicle is ordered. However, his recommendation is to purchase the Isuzu D-Max because the brand has good local dealer support with a courtesy 4x4 provided along with a five year warranty. However, delivery would be anticipated in January 2022 if an order is placed soon. The workforce continuing to use the existing truck until delivery. It being noted the current high demand for vehicles both new and second hand.

Mr J Hopwood believes the extra cost makes it worthwhile for the better service and longer warranty than the other options to purchase the Isuzu Utility D-Max Double Cab 4x4 Pick-up.

The Sub Committee recommending the purchase of the Isuzu Utility D-Max Double Cab 4x4 Pick-up with options in the sum of £27,800 plus VAT and Road Fund Licence or better. To also part exchange or sell the existing 2009 Ford Ranger for £1,000 plus VAT or better.

WORKFORCE CALL OUT

The Clerk explained the voluntary arrangements which had been put into place to cover the problems the Board had with failed auto weed screens and the requirements to clear them with an excavator. The arrangements also giving cover when pumping stations needed attention out of hours. The Board however needs to consider how cover is provided following the virus pandemic along with the auto weed screens now being fixed. This matter also being linked in with a pumping station contingency plan when failure occurs which sometimes happens out of hours.

CONTINGENCY
PLANS FOR
PUMPING
STATIONS

The Sub Committee considered that the Board should investigate what arrangements other local IDBs have in place to cover these events which the Engineering Assistant offered to investigate and report upon.

The Sub Committee concluded that further investigation was required into this matter. It therefore recommended that further meetings will be required when a more focused decision can be made from the information provided.

The Engineering Assistant had provided a report which includes costs of augmenting Pumping Stations with mobile plant in the event of pump failure. This is an annual fee for making the equipment available. The overall cost being quite large.

The Clerk informed he believed that the installation of three phase plugs and purchase a selection of submersible pumps perhaps small, medium or large would be a better option. These could easily be installed at the station or run on a generator if required. Electric submersible pumps not needing the heavy suction pipes and refuelling with fuel. This as an option would need further work and information to bring to a future meeting.

The Engineering Assistant informed that he would like to get the provision clearly scoped rather than rushing to a conclusion.

Mr J Hopwood informed that it was not likely to be expensive to install three phase sockets to progress this approach and it would give greater flexibility for different stations if a range of pumps were available.

The Chairman believed more information and costs were required which was supported by Mr R E Britton.

The Sub Committee concluded that the Pumping Station Contingency Plan were interlinked with out of hours cover potentially through a call out scheme. This area needing further investigation and planning. They therefore recommended that the Main Board ask the Sub Committee to investigate this matter in greater detail and give them delegated authority to put in place appropriate measures to manage the risk. This to include consideration of out of hours cover at the Boards and Coal Authority Stations. This along with potential producing and implementing a contingency plan in the event of pump failure. However, if the purchase of larger submersible pumps is required or significant capital assets this would have to return to the Main Board as a recommendation from the Sub Committee for consideration.

OPENING OF AND
CONSIDERATION
OF FLAILING
TENDER
DOCUMENTS

Flail Mowing Contract Tender Returns

The Clerk reported that two tender submissions had been received for the Board's annual flailing contract.

The Clerk on video opened the tender documents in front of the Members of the Sub Committee showing and reading out the contractors along with the tendered rates at the meeting.

The table below shows the rates quoted:

	Rate/Linear Metre	Extra Hourly Rate
Contractor 1	30p/metre	£55 for machine and operator
Contractor 2	30p/metre	£35 for Tractor and Flail £36 for side mounted flail £16.50 operator £15 for Labourer

The Clerk informed that the tender return of Contractor 2 may have been late.

Mr R E Britton informed if the tender return was late then it should be disregarded.

Mr J Hopwood believed that Contractor 2 was quite good but he was happy to recommend awarding the work to Contractor 1.

The Clerk was concerned about awarding the work to one contractor and the number of tenders returned.

The Sub Committee Members considered this matter in detail and **RECOMMENDED** to the Board that the Board could consider awarding the work to Contractor 1.

The Sub Committee recommended that the Engineering Assistant was asked to award the work on this basis. 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.

(SEE APPENDIX TO MINUTES)

The Chairman left the meeting at this stage. The Meeting continued to be Chaired by the Vice Chairman.

OFFICE LEASE
RENEWAL

The Clerk informed the office lease had been sustained this financial year at the same rate. The commercial market remaining uncertain. He therefore suggested that for Financial Year 2022/23 the Board sustains the rent in the lease at the same rate as currently with the same terms.

Mr J Hopwood thinks this is a sensible suggestion.

Mr R E Britton notes that house prices are rising but supports running at the same cost for another year. He recognises in commercial property the uncertainty in rental returns and this approach will save the cost of the commercial valuations with a questionable outcome.

The Sub Committee therefore recommended that the office lease terms and rent should remain the same for financial year 2022/23.

(SEE APPENDIX TO MINUTES)

DATE OF NEXT
MEETING

Tuesday 28th September 2021 at 1pm. This being prior to the Board Meeting on 19th October 2021.

FUTURE MEETINGS

Tuesday 11th Jan 2022 at 1pm. This being prior to the Board Meeting on 25th Jan 2022.

Tuesday 14th June 2022 at 1pm. This being prior to the Board Meeting on 28th June 2022.

Tuesday 27th September 2022 at 1pm. This being prior to the Board Meeting on 18th October 2022.

ANY OTHER
BUSINESS

There was no other business.

CLOSE OF
MEETING

The Clerk thanked Members for their patience and perseverance in joining the meeting.

The Chairman closed the meeting at 2.30pm as there was no other business.

(APPENDICES TO FOLLOW)