

MINUTES of Meeting of Finance Sub-Committee held on Tuesday 31<sup>st</sup> May 2016 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

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

An apology was received from Mr S Wragg.

APOLOGIES FOR  
ABSENCE

DECLARATION OF  
INTEREST

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

MINUTES OF LAST  
MEETING

The Chairman reviewed the Minutes of the meeting held on the 27<sup>th</sup> April 2016, regarding the legal agreement proposed for the Germany Beck Development. A copy of the Minutes had been sent to all Committee Members with the Agenda. It was proposed by Cllr B Marshall and seconded by Mr J Daniel to be taken as read and APPROVED.

MATTERS ARISING

There were no 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.

GERMANY BECK  
DEVELOPMENT  
LEGAL DOCUMENT

The Clerk had circulated with the Agenda a copy of the latest version of the Legal Document. This having been advanced following negotiations between the Boards Solicitor and the Persimmons Solicitor. The developer covering the Boards costs of legal representation.

The Chairman asked if Members had time to read the latest version of the document circulated with the Agenda. He further went through the document paragraph by paragraph. The following issues being noted:  
Page 1: The Chairman noted the document did not contain a map. This had not been provided yet.

Page 13: Concerns about Section 10 - licences needs review particularly for land access and claims along with drainage access. These in effect creating new requirements which could be compromising the Boards existing powers to maintain the watercourse.

Cllr J Cattanach noted that section 10.2 in the previous document had gone (liability insurance) so asked if the Board assumes it is no longer included.

The Clerk noted the Hydrology Report needs to be provided for reference in the document. It being uncertain on its final format for reference. This was because a number of reports had been raised and issued concerning maintenance and associated costs. It also being unclear how this related to a letter of reliance.

Members UNANIMOUSLY AGREED to recommend the approach being taken. In principal the Sub Committee were in agreement but further work and clarification are still required before consideration of full approval. It however appears the urgency for starting on site had been slightly delayed. The additional work of a screen being noted and is still included and referenced in the document.

The Clerk noting the Emails attached to the back of the document concerning the legal transfer of responsibility in the future from Persimmon Homes to a Manco (Management Company) of this legal agreement. The Manco being established in the future when the houses are sold. The advice in the Emails being given by the Boards Solicitor.

The Sub Committee further recommended that the Board perhaps could delegate the decision on acceptance of the final document to the Finance Sub Committee. This is because the final decision is likely to be required prior to the next Board Meeting.

The Clerk referred Members to a letter from the Audit Commission (page 2). A copy of which had been circulated with the Agenda. The letter clearly highlighting the requirements which the Clerk has reflected in the Agenda items for the returns for the 2015/16 year end audit. This is to try to insure compliance and to avoid audit prequalification.

The Clerk further noting some of the recommendations from the Sub Committee Minutes will need to be transcribed to the Main Board Minutes when approved to demonstrate the correct order of approval. This being intended to clearly demonstrate delivery of the requirements of the Audit Commissions letter page 2.

The Sub Committee recommended the Board AGREED with the Agenda items and the Clerks proposed approach in regard to page 2 of the Audit Commissions letter to deliver its requirements.

AUDIT ISSUES OF  
GOVERNANCE  
AND ACCOUNTING  
STATEMENTS

REVIEW OF THE  
EXTERNAL  
AUDITOR  
CERTIFICATE  
2014/15

REPORT ON THE  
SYSTEM OF  
INTERNAL  
CONTROLS

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 of the form 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 in 2014/15 had not been communicated it was not applied. The Boards accounts have adopted the anticipated revision of the guidance on asset valuation, in line with the wording on Box 9 of the Annual Return so hopefully should be compliant with any revised guidance in future years. No comments were made by the Internal Auditor in Section 4 of the Form for Financial Year 2014/15.

**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 31<sup>st</sup> March 2016 with the Agenda. A number of matters were raised

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.

**Consideration of the Findings of the Review**

Cllr J Cattanach raised the on-going process with Selby IDB's reconstitution to reduce its membership which was reported as progressing.

The Sub Committee Members considered the findings of the review and accepted the reports content.

The Clerk informed Members he 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 Sub Committee.

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

ACCOUNTING  
STATEMENTS

TERMS OF  
REFERENCE FOR  
NEXT INTERNAL  
AUDIT 2016/17

The Clerk informed the Audit Commissions Annual Return has been completed for 2015/16 which includes the Governance Statement Section 1. A copy of the Statement was circulated with the meeting agenda.

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 2 – Annual Governance Statement 2015/16.

**Consideration of the Accounting Statements**

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 2015/16 of the IDB Return.

The Finance Officer noting that last year's accounts 2014/15 required restating in section 2 – Accounting Statements because of a change in accounting practice for 2015/16.

The Clerk ran through the details of the Board's accounts which had been prepared for the year-end 2015/16. A copy had been circulated to the Sub Committee Members prior to the meeting with the Agenda.

The Clerk explained that the figures from the accounts had been taken and applied to Section 2 Accounting Statements 2015/16. A copy of which had been enclosed with the Agenda which was reviewed by the Sub Committee at the meeting. This along with reviewing the Accounting Statements provided.

**Approval of the Accounting Statements by Resolution**

The Sub Committee, after considering these accounts and the Audit Commission IDB Return Form Section 2 Accounting Statements 2015/16, RECOMMENDED that the Board APPROVE the Accounting Statements by Resolution.

**Authorise the Chairman to Sign and Date the Statements**

The Sub Committee after considering these accounts and the Audit Commission IDB Return Form RECOMMENDED that the Board further authorises the Chairman and Clerk to sign and date the documents.

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

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 2016/17.

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 noted that this document is being updated which could have implications to the required scope of audit for the Board.

## 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.

The chart includes insurance premium tax which has increased to 9% this year along with VAT. The increase on the business combined insurance 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 which includes the tracked excavator.

### **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.

Cover	2013	2014	2015	2016 Provisional
Business Combined	£5,623.55	£6083.22	£6258.42	£6,500.00
Engineering Inspection	£1,424.44	£1439.84	£1618.02	£1,646.41
Engineering Insurance	£156.00	£176.26	£171.26	£126.52
Hired in Plant		Consortium Shared policy	Consortium Shared policy	Consortium Shared policy
Directors & Officers Liability	£736.00	£776.00	£746.00	£718.98
Professional Indemnity	Not Provided	Not Provided	Not Provided	Not Provided
Motor Fleet	£2,694.51	£2,757.21	£3754.55	£4,007.70
Legal Expenses	£53.00	£53.00	£82.15	£84.86
Loss Recovery Service	£210.00	£210.00	£210.00	£291.27
Customer Service Charge				£250.00
<b>Total</b>	<b>£10,897.50</b>	<b>£11,495.53</b>	<b>£12,840.40</b>	<b>£13,625.74</b>

### **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.

### **Pumping Stations**

The Chairman asked about the pumping station insurance and if this was taking into account the works which had occurred to reduce the risk of flood loss at Kelfield Ings Pumping Station. The Clerk was asked to establish the position from the insurers.

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

**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.

	<b>Rate/Linear Metre</b>	<b>Extra Hourly Rate</b>
AAT Bowman	23.5p/metre	£32 to £36
T Cooke & Son	Ranges from 16p to 28p in relation to number of cuts Most work in 20p to 28p / metre range	£30/hour plus driver £18/hour
Rob Brownbridge Agricultural Contractor	30.0p/metre	£35 per hour plus operator £25 per hour

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 all the contractors have the availability of at least two machines and T Cooke & Son and AAT Bowman have previous knowledge of 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 £14.65 20 ton £28.80 12 ton £26.26 plus operator at £18.70/hr. weedcutting basket £3.30	£4.65/hour	£4.70 per hour	£212
Wrights of Cockey Hill	16 ton £30.00. 8 ton £28.00 JCB £25.75 Operator included Weed cutting basket£5.50 an hour	£50/ day	£100/day	£135
Hagrapat Tender	20 ton £34 13 ton £34 7 ton £27.00 Plus £18/hour transport Weed cutting bucket £10/hour	£10/ hour	£-	£200

### Review of Tenders

The Committee considered the submitted tenders. The variation in the schedules 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 £8.00 per hour for work beyond 8 hours. Wrights of Cockey Hill are local and have carried out a large amount of 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.

Cllr J Cattanach left the meeting at this stage.



MACHINERY  
PURCHASE

The Engineering Assistant joined the meeting and referred to the report which had been circulated with the agenda.

Piling Hammer

The Board was still seeking the return of a further quotation for a piling hammer before deciding on which one to purchase.

Pick Up Truck

Members agreed to recommend to the Board that the 06 Land Rover is sold by private tender. The Board then to purchase a Ford Ranger Pickup truck in the sum of £21,514.25 plus VAT.

Excavator Purchase

The Engineering Assistant reported on the difficulties of trying to find and trial a range of excavators with a three piece boom. The Sub Committee agreed to recommend that the Board should take the appropriate time to establish the machine and price which was appropriate to its requirements.

DATA RETENTION  
ARCHIVING AND  
DESTRUCTION  
POLICY

The Clerk had circulated a draft policy on data retention, archiving and destruction.

The Sub Committee Members considered the document and recommended Approval to the Board.

DATE OF NEXT  
MEETING

**Tuesday 4<sup>th</sup> October 2016 at 1pm.** This being prior to the Board meeting on 18<sup>th</sup> October 2016.

FUTURE MEETINGS

**Tuesday 24<sup>th</sup> January 2017 at 1pm.** This being prior to the Board meeting on 31<sup>st</sup> January 2017.

ANY OTHER  
BUSINESS

Derwent House Office Works

The Clerk reported on the various works required to the Boards offices. The work including outside painting and gutter repairs along with problems of bees in the chimney. The Clerk further informed that he was considering installing a flow control device for surface water as a trial. Sub Committee Members noting and recommending and agreeing the actions.

## **Mr M White**

Mr J Daniel raised the matter of Mr M White of Deighton regarding a ditch being filled in. The issue appearing to be a neighbour's dispute. Mr M White having approached a number of Board Members. The ditch concerned is a private ditch and not one the Board maintains. It was considered by the Sub Committee that a potential option to resolve the matter could be if Mr M White lowered the conifer hedge height the Board could assist with maintenance of the ditch helping to remove the offending material. The Board proposed for this option to be put in writing to Mr M White and to be looked into further once he has responded.

## **Greencore Development Application**

Cllr B Marshall raised the issue of the proposed Greencore development site regarding the implications for land drainage. The Clerk will ask the Planning Officer to discuss the matter further with him.

Mr J Daniel apologised that he would be unable to attend the Main Meeting on 14<sup>th</sup> June 2016.

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

**(APPENDICES TO FOLLOW)**