

MINUTES of Meeting of Finance Sub-Committee held on Tuesday 10<sup>th</sup> January 2023 at the Ouse & Derwent Offices, Crockey Hill, York

PRESENT

Cllr J Cattnach (In the Chair)  
Mr R E Britton  
Mr S Wragg  
Mr J Daniel

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

APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr J Hopwood.

DECLARATION OF INTEREST

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

The Chairman informed he was a Council Nominated Member of Selby IDB.

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

MINUTES OF LAST MEETING

Mr R E Britton moved that the Minutes of the Meeting held on the 27<sup>th</sup> September 2022, a copy of which had been sent to all Sub Committee Members, are APPROVED and that they forthwith be signed by the Chairman as a correct record. This was proposed by Mr R E Britton and seconded by Mr J Daniel.

MATTERS ARISING

Upgraded Rural Broadband at Derwent House

The Clerk reported that this had not arrived at the office yet but is likely to be available in a couple of months. It however is uncertain how much the service will cost.

There were no further matters arising from the Minutes which were not covered under the agenda items.

**MEMBERSHIP  
NUMBER  
REDUCTION**

**TRANSFER TO  
SPECIAL LEVY  
AND WRITE-OFF**

**Membership Number Reduction**

The Clerk reported attending a recent meeting with Agency Solicitor and Agency representatives. At the meeting the solicitor informed that the change is legally being progressed with Defra and might come into place shortly in the new financial year but it remains uncertain. No further action is required from the Board currently.

**New Unitary Authority- North Yorkshire Council**

The Clerk noted a letter that ADA National had sent to the new Authority concerning Board Nominated Members. This relating to the Council only appointing Councillors to external bodies rather than a wider representation such as parish councillors interested parties and officers to represent the Board's old Selby District. A virtual meeting on the matter with ADA National and representatives from the new council is planned to be held on 25<sup>th</sup> January 2023. This being the outcome of the ADA National letter.

The Chairman noted that he was pleased this had happened and would wish to attend any meeting.

Mr S Wragg noting the Clerk had raised the matter at several North Yorkshire and York RFCC Partnership Meetings and was pleased progress was being made.

**Land Transfer to Special Levy**

The Clerk referred to the list and maps of the locations circulated with the agenda. This along with the write-off of drainage rates along with an additional sheet of rate write offs which cannot be recovered and land transfers to Special Levy from the Boards agricultural rating.

The Sub Committee Members REVIEWED the information and AGREED with the Clerk to recommend the transfer to Special Levy:

1. The land on account 90-0005-6 shown in the circulated list to North Yorkshire County Council as the land is being developed with the write-off of £9.38;
2. The land on account 90-0686-9 shown in the circulated list to North Yorkshire County Council (assessments 15010760, 15011680, 15012060 and 15014420) as the land is developed with the write-off of £12.92;

3. The land on account 90-0675-1 shown in the circulated list to North Yorkshire County Council as the land is now part of a caravan sited with the write-off of £12.08;
4. The land on account 90-0674-7 shown in the circulated list to North Yorkshire County Council as the land is developed with the write-off of £2.67;
5. The land on account 90-0441-9 shown in the circulated list to City of York Council as the land is developed and commercially rated with the write-off of £6.53;
6. The land on account 90-0437-7 shown in the circulated list to City of York Council as the land is developed with the write-off of £5.26;
7. The land on Persimmon's account at Germany Beck, Fulford shown in the circulated list to City of York Council is being developed as properties with the write-off of £78.62 (the percentage of land being transferred as previously agreed).

The Clerk informed the transfers will take place from 1<sup>st</sup> April 2023 to reflect the land no longer being used for agricultural usage.

The Sub Committee having reviewed the information RECOMMENDED to the Main Board that the land should be transferred to Special Levy (North Yorkshire Council and City of York Council) as above, this along with writing off the sum of £139.85 total from the two sheets.

## WORKFORCE

The Clerk informed that the ADA Lincolnshire Branch pay committee were in negotiation for a pay increase. The Boards workforce and shared consortium employees are contractually linked into these negotiations. At the current time the employer's side had made an offer of a percentage increase and a lump sum. This offer has been rejected by the staff side and unions. It is a little uncertain how these negotiations will progress. The Boards estimates for next year's budgets include for the offered increase with a small contingency but clearly the overall costs will be influenced by the terms eventually agreed.

CONSORTIUM  
ARRANGEMENTS

**Recruitment**

The Clerk informed that the Board hoped to start the recruitment process for a new Member of the workforce shortly, the costs of which had been included in the Boards estimates.

Mr R E Britton believed the Board should be recruiting a new member of the workforce soon as it has been intended for some time but not progressed.

**Meeting Date**

The Clerk confirmed the next meeting of the Consortium Management Committee will be held on 7<sup>th</sup> February 2023 to be held at **Escrick & Deighton Club, 63 Main Street, Escrick, York, YO19 6LQ.**

The Clerk informed the Sub Committee that the Boards administration costs in this year's estimates are presented on the basis of the costs of the Consortium Arrangements which will be discussed at the CMC annual meeting.

**Sustaining the Boards Nominated Members on the CMC Committee**

The Board at last year's meeting was represented by Mr R E Britton and the Chairman (Cllr J Cattnach). They both agreed to represent the Board again at the forthcoming annual meeting if the Board wishes. The arrangements require the Board to nominate two Members with the power to act on behalf of the Board.

The Sub Committee's RECOMMENDATION if accepted by the Board is to nominate both Mr R E Britton and the Chairman (Cllr J Cattnach) for them to attend the annual CMC Meeting.

PLANT RENEWALS/  
PURCHASE

**Proposed Approach to Maintenance Works**

The Clerk informed that the Board will again contract out all the flailing works, which will be put out to tender as usual. The Board now has its own two tracked excavators so the Board's workforce can concentrate on sludging and tracked excavator maintenance works.

## **Plant Replacement Frequency**

The Clerk noted that the machinery replacement is reviewed in relation to changing market conditions. The Board seeking to get best value for selling its existing plant whilst purchasing replacements at the best possible price. The timing of the change being intended to make the most of machine warranties provided when new. The Board needing to change the machines to sustain productivity to avoid diminishing reliability and increasing maintenance costs.

The Board currently, with its excavators, is funding replacement after five years of regular usage. This however will be dependent on hours run and market conditions. The machine attachments continue to be used with the replacements and are used for longer if they can be.

## **Carbon Usage**

The Clerk noting the potential requirement for measuring carbon usage and demonstrating how the Board can reduce its carbon emissions. This potentially becoming a matter of higher importance as a publicly funded authority. In keeping the Boards own equipment up to date, it is likely when replaced will become more efficient and embrace the latest technology.

The Clerk presented the Plant Renewals Schedule, which had been circulated with the agenda. He noted the uncertainty on prices for fuel and electricity. In particular the usage of electricity for pumping following any storm event. It is hoped that electricity markets may settle to estimate costs more accurately. This along with details being provided of any longer-term government subsidy.

## **Boards Reserves**

The Clerk informed that to sustain the Boards reserves in this period of uncertainty it is proposed to delay plant funding by a year. This giving time to review the likely future costs of fuel and electricity to manage the Boards cash flow. It is then hoped that the Budgets for 2024/25 can be estimated to consider future drainage rates to fund the Boards activities.

## **2022/23 Plant Replacement**

The Clerk reported the Board had replaced its Hyundai HX140 excavator. This along with ordering a tipping trailer. It had intended to purchase a small submersible pump for emergency pumping as part of its contingency planning cover at £30k. This purchase to sustain capital is to be delayed until 2023/24.

## **2023/24 Plant Replacement**

The small submersible pump for emergencies is delayed by a year will be purchased in 2023/24. All further purchases will be deferred until 2024/25.

## **Plant Reserves**

The Clerk noted on this basis the Boards plant reserves at the end of 2022/23 will be £36,277 which covers the purchase of the proposed small submersible pump in 2023/24. The Board however at the end of 2022/23 is forecasting a significant deficit so the Board is unable to increase its plant reserve fund from its income and any allocation would have to be drawn from its balances. It being noted the significant amount of plant and equipment needing to be purchased in the years beyond 2023/24 which is likely to further draw down the Boards balances along with covering any budget deficit

The Sub Committee Members considered the plant replacement programme and **UNANIMOUSLY AGREED to RECOMMEND** the acceptance of the plant replacement programme and approval to progress as proposed above.

## **BUDGET 2023/2024**

The Chairman referred Members to the budget paper and notes, which had been circulated with the Agenda.

The Finance Officer asked if there were any questions on the items in the report.

The Chairman noted he believed the budget notes were very informative and comprehensive.

The Clerk informed that the budget is based on most of the Boards work being conducted using red diesel. This continuing to be eligible for use following the guidance provided last year. The Board further may get additional 'Highland Water' income from the Environment Agency.

The Chairman noted the potential risk with rising electricity prices and uncertainty of heavy rainfall events the difficulty of forecasting costs.

The Finance Officer explained that the Boards forecast was for both the Coal Authority and the Board's pumping stations but clearly was an expenditure risk. The Boards estimates for usage being based on a longer term historical average.

### **Coal Authority Pumping Stations**

The Clerk highlighted the work the Coal Authority wished the Board to progress in this financial year. The work mostly consisting of pump refurbishment and a screen refurbishment. This along with the contract electricity rates the Board has established.

### **Newlands Pumping Station**

The Clerk informed the Boards budget included costs as advised by the Engineering Assistant for refurbishment of the pumps at Newlands.

### **Budget Position**

The Clerk highlighted the out-turn budget estimate for the end of 2022/23. This showed a deficit of £178,507. The budget included for the refurbishment of Newlands Pumping Station pumps. This along with estimates for financial year 2022/23. The paper being based on the Board increasing its drainage rate by 10.05% to 4.82p in £ which also includes the land transferred to Special Levy. In relation to the increase the Boards estimated own pumping station average electricity costs have increased by £54,600 in 2023/24 if no government subsidies are provided. An increase in the Boards drainage rate of 10.05% would increase the Boards income by £48,983 which does not cover the potential increase in electricity cost. Inflation has increased in excess of 10% this year largely being driven by increases in fuel and material prices. In effect the significance of this is that the purchasing power of the Boards income has decreased by potentially 10% to the start of this financial year.

Mr R E Britton believed the information on the budget were comprehensive and was a reasonable pragmatic approach to progress.

The Chairman noted the Board had not raised its drainage rates over a number of years but was in support of the proposal.

Mr S Wragg was less at ease with it because of the wider demand for funding but recognised the reasons and approach being taken in the tabled budget and estimates.

The Clerk noted that the Sub Committee were making a recommendation. This will be tabled to the main committee for consideration but still could be subject to change or challenge.

The Chairman asked Members of the Sub Committee if they had any further queries on the paper and supporting table.

**(SEE APPENDIX TO MINUTES)**

The Sub Committee Members considered the Boards balances held along with the budget proposals and the rate of a sum of 4.82p for 2023/24 an increase in the rates of 10.05% over the rates of 2022/23.

The Sub Committee Members UNANIMOUSLY AGREED to RECOMMEND approval to the Board.

The Clerk ran through the items in the Engineers Report. This updated the Committee on :

- Excavator purchase which is now complete
- Tipping trailer which is now on order
- Shared Excavator attachment grab for tree works delivered and purchased
- Plans for Newland Pumping Station

The Clerk noted the Environment Agency have granted the Board Eel exemption letters. In the letter they are asking the Board to prepare plans to implement Eel screening at some of our stations.

Mr R E Britton asked if anyone with expertise on this subject could advise.

Mr S Wragg noted Mr I Don from the Environment Agency Fisheries Team head office. He has been helping with the Eels requirements of the Councils Germany Beck pumping station design as a good contact.

The Clerk informed he was advancing updating the Biodiversity Action Plan for York Consortium Member Boards. The work to date has consisted of populating an ADA National template to cover all the Boards. A meeting was held on 24<sup>th</sup> November to review progress at Derwent House. This was a constructive meeting and a number of issues were discussed.

Mr S Wragg noted Ms E Thornbury who is the City of York Councils Conservation Officer who he believes would be interested to input into developing the Boards Biodiversity Action Plan.

PROPOSALS FOR  
LAYING OF THE  
RATE 2022/23

ENGINEERS  
REPORT

BIODIVERSITY  
ACTION PLANS

CORRESPONDANCE

ADA National Environmental Good Governance Guide

The Clerk further informed that ADA National had also just published an Environmental Good Governance Guide. The content of which will be referenced in the Biodiversity Action Plan review work.

BANKING

The Clerk confirmed the Boards current investments and interest rates being achieved.

He noted the potential opportunity of increasing rates but also the difficulties of the requirements of mandating for officers Chairman and Vice Chairman to operate new accounts as required in the Boards Financial regulations.

The Finance Officer noted the Board was implementing an electronic system for payments over £4,000 which require authorisation either by the Chairman or Vice Chairman as required in the Boards Financial Regulations and bank mandates. The Board recently having difficulties and delays because of the recent postal strikes.

The Chairman asked how long the authorisation requirement had been in place.

The Clerk informing this has been the requirement for a long time certainly in excess of ten years.

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)**

DATE OF NEXT MEETING

**Tuesday 13<sup>th</sup> June 2023 at 1pm.** This being prior to the Board Meeting on 27<sup>th</sup> June 2023.

FUTURE MEETINGS

**Tuesday 26<sup>th</sup> September 2023 at 1pm.** This being prior to the Board Meeting on 17<sup>th</sup> October 2023.

ANY OTHER BUSINESS

**Germany Beck Proposed Pumping Station**

Mr S Wragg noted the progress being made on the City of York Council Germany Beck scheme. This has been submitted for planning prior to Christmas. This however has not been consulted upon yet. He highlighted that future operations to sustain the station when it is built would need more discussion. He recognised the Boards current position of not being able to provide an out of hours service.

### **Defra Schedule 3 Floods and Water Management Act**

Mr S Wragg informed that Defra have published a decision to put in place a long term SUD's (Sustainable Urban Drainage Systems) Approval bodies. This being intended to be in place for 2024.

There being no further business the Chairman declared the Meeting closed at 2.34 PM.

**(APPENDICES TO FOLLOW)**