

MINUTES of Meeting of Finance Sub-Committee held on Tuesday 3<sup>rd</sup> October 2017 at the Ouse & Derwent Offices, Crockey Hill, York

PRESENT

Mr R E Britton (In the Chair)  
Cllr J Cattanach  
Cllr B Marshall

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

APOLOGIES FOR ABSENCE

The Clerk reported that an apology for absence was received from Mr J Hopwood and Mr J Daniel. The meeting being quorate for a Sub Committee under its scope with three Members in attendance.

DECLARATION OF INTEREST

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 at the meeting for inspection and update as required.

MINUTES OF LAST MEETING

Cllr B Marshall moved that the Minutes of the Meeting held on the 30<sup>th</sup> May 2017 a copy of which had been sent to all Sub Committee Members, are APPROVED and that they be forthwith signed by the Chairman as a correct record including the Private and Confidential Item. This was seconded by the Chairman.

MATTERS ARISING

The Clerk informed that the Board had now formally signed its copy of the Germany Beck Agreement and returned it to the Boards Solicitor to advance the agreement as previously agreed.

The Clerk further informed Members of the Sub Committee that the Board had issued updated contracts of employment to the Boards Workforce along with issuing a Staff Handbook. The handbook is written to match the contracts of employment. A copy of the handbook can be made available to Members if required.

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

## RATES

The Clerk reported that the Board has a policy of progressing Court action on accounts with sums in excess of £30.00 or accounts which had not been paid for a period of three years or more. The policy remaining that a third reminder needs to have been sent. This also relating to the Clerks discretion in relation to matters where land transfers are in hand or the ownership or occupation of the land is uncertain.

Sub-Committee Members accepting this policy as it stands. The Chairman viewed a copy of the report on the list of unpaid drainage rates. This highlighting the accounts which unless paid shortly are likely to be progressed to taking Court action in accordance with the policy above.

The Sub Committee also recognised the claim of Mr Gowthorpe on account 90/0312 in relation to crop damage attributed to activities of the Board and decided to recommend the write off of £100.05.

## COMPLETION OF THE AUDIT 2016/17

The Clerk referred to a copy of the External Auditors certificate and opinion for the accounts for financial year 2016/17. A copy of the External Auditors certificate and opinion has been circulated to the Sub-Committee Members prior to the meeting with the Agenda. The report not having any pre-qualifications or matters the External Auditor would wish to bring to the Boards attention. The Board have advertised the outcome on the local Parish Council noticeboards in the prescribed way.

The Chairman asked for it to be recorded in the Minutes the Sub Committees appreciation for the work and input to deliver this achievement.

## REVIEW OF THE EFFECTIVENESS OF INTERNAL CONTROL

The Clerk further referenced the historical concerns of the External Auditor regarding the review of the effectiveness of internal control. In previous years the Board had agreed for its Internal Auditor to review and report on its 'Effectiveness of Internal Control.' The Board having the alternative option to set up a Sub-Committee to review this item and present a report to the Main Committee, this along with any other approach they may wish to take.

The Sub-Committee recommended that the Board should continue to review its effectiveness of internal control by the Internal Auditor. This being on the basis that a report will be prepared on the findings of the review. This will then be considered and actions taken as required at a future meeting of the Board. This approach being taken as the Internal Auditor is believed to be impartial to the interests of Members and the Boards Consortium staff. This therefore aims to avoid any potential conflict of interest.

However the Board's Clerk should review the documentation and scope of this report to ensure that the audit compliance requirements are fully covered.

APPOINTMENT OF  
INTERNAL  
AUDITORS FOR  
FINANCIAL YEAR  
2017/18

The Clerk advised the Board that the audit of the Board's Accounts are reasonably complex along with the Consortium arrangements. Any new auditor would require some time to understand the working arrangements currently in place. In view of this it would appear impractical to change the Board's Auditor at this stage.

The Clerk further noted that financial year 2017/18 would be the first financial year with External Auditors appointed under a small body contract (Parish Councils and IDBs). This following the abolition of the Audit Commission who used to organise the contract for this work. It therefore appears prudent to sustain continuity with the Internal Auditor in case any problems arise with the external audit with the new arrangements.

The current Auditors, Brodericks (Doncaster), who have carried out audits for a number of other Boards, are familiar with the Consortium arrangements and the Audit Commission requirements.

In view of this the Clerk proposed that our existing Auditor is retained for the 2017/18 financial year audit because of the familiarity of our current systems. The cost of last year's audit, support and production of the required reports for the Board was £1,150 plus VAT; however the cost could increase depending on the requirements of the audit.

The Sub-Committee UNANIMOUSLY RECOMMENDED the Board APPROVES the re-appointment of the Auditors for the 2017/18 financial year.

BOARDS BUSINESS  
RISK ASSESSMENT

The Clerk informed Members that the Association of Drainage Authorities have issued a model policy document for the Boards Risk Assessment. This has been in place a number of years. The format is in the form of a 3 x 3 matrix which evaluates the likelihood of an event happening against the consequence if it occurred. A draft updated Risk Assessment for the Board on this basis has been prepared which Members considered at the meeting. The text with changes being highlighted and underlined.

It was noted that the Risk Assessment can be updated as new risks are established and mitigated. The Risk Assessment has been updated with the comments following the report of the Boards Internal Auditors' letter along with the Report on the Effectiveness of Internal Control.

Cllr J Cattnach asked about emergency recovery. The Clerk explaining the provisions made. It was noted that the Boards office had experienced recent power cuts which had disabled the Boards telephones.

The Chairman suggested that the Board could perhaps look at purchasing a generator to sustain service in the event of a power failure. It however was uncertain in the event of power failure if the land lines continue to work.

The Sub-Committee Members reviewed this document and considered the higher risk matters, which were highlighted in the assessment. In particular how the Boards data could be more quickly backed up off site which required a faster broadband speed.

The Clerk informed the Board that the Boards Audit required the Board to formally consider and approve its Risk Assessment for 2017/2018.

The Sub-Committee UNANIMOUSLY RECOMMENDED the Board adopts and approves this policy approach to risk assessment and the evaluation carried out in the document for financial year 2017/18.

## HEALTH AND SAFETY POLICY

The Clerk reported that since the last meeting of the Board the Health and Safety Policy Part 2 had been edited to make it more specific. As an example some items were noted as 'should' and are being changed to 'must.' As noted in the last Minutes the policy is a document with changing circumstances and continues to be developed.

## DERWENT HOUSE IMPROVEMENTS

### Wall Dampness

The Clerk raised concerns about dampness in the wall with rising damp in the corridor/hall and behind the boiler. The wall however has a number of services which complicates carrying the work out. To date the Board had received a quote but this does not cover the overall work which would impact on the services. The Board will seek further advice as how best to address the matter but wishes the work to be carried out.

The Sub-Committee AGREED that the work needs progressing and RECOMMENDED it was advanced if the cost was not excessive.

### Building Eaves and Gutter Replacement

The Clerk noted the Board had obtained two quotes to fix UPVC cladding and replace guttering to Derwent House which is in a poor condition (this matter being considered because of the cost of painting the eaves with gutter replacement). The Board seeking a longer term solution if the eaves are clad and the gutters replaced with UPVC. However concern remained if the work was carried out if it would cause the building eaves to perish with dampness. It is uncertain how this could be prevented e.g. with appropriate ventilation and long term if it will work because of the nature of the eaves. The Board has obtained quotes between £4,700 and £12,000 for the work to be carried out.

Cllr B Marshall noted that he was aware of a company who carried out local work and would provide advice as the matter is reasonably complex. Details of the company will be provided to the Finance Officer.

The Clerk asking if the Committee would be happy to recommend advancing the work if an appropriate solution can be found.

The Sub-Committee UNANIMOUSLY RECOMMENDING the work is advanced when scoped if the cost is not excessive.

## DERWENT HOUSE LEASE RENEWAL

The Clerk informed Members that the Consortium office lease is due for renewal, the current lease ending its three-year period towards the end of this financial year. The Clerk had obtained three professional valuations to consider the current value of the property which had been circulated with the Agenda for the meeting. The information obtained indicates that the commercial rental market has not changed much from the valuations carried out three years ago when the exercise was last carried out.

The Clerk noted it was difficult to establish a rate and it could be a different arrangement for charging an existing tenant regards open marketing of a vacant property. In the local area limited similar properties are available for comparison other than the Escrick Business Park.

The rentable values provided by the Valuers were as follows:

<b>Valuers</b>	<b>Annual Charge (estimate 3 years ago)</b>
No 1	£15,300
No 2	£16,000
No 3	£18,500
Average Valuation	£16,600
Previous Rate	£16,000 – last 3 years

The Sub Committee Members discussed the above valuations and proposed that the rent is increased to £16,600 per annum to be recommended to the main Board. This sum being the average of the three valuations. This as the offer to the Consortium for rental for a period of three years on the basis of the existing lease. The period starting on 1<sup>st</sup> April 2018 and no review in the three year period. Members AGREED that the Clerk could update the existing lease on the same terms without having to engage a solicitor.

## 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 16<sup>th</sup> January 2018 at 1pm.** This being prior to the Board Meeting on 30<sup>th</sup> January 2018.

**FUTURE MEETINGS**

**Tuesday 29<sup>th</sup> May 2018 at 1pm.** This being prior to the Board Meeting on 12<sup>th</sup> June 2018.

**ANY OTHER BUSINESS**

**Excavator – Hyundai 140**

The Clerk provided an information sheet (see attached) at the meeting regarding:

- 1) The cost of having a specialised arm extension made for the Boards excavator to increase its reach for wider ditches and tree pruning (£4,995.00 plus VAT);
- 2) The cost of having a modification to the machines hydraulic system so that the arm extension would be easier to utilise (£1,850.00 plus VAT).

The Sub Committee discussed this matter in detail and **RECOMMENDED** that the purchase of the arm extension should be approved. This along with the hydraulic modification to the machine to make it more easy to use.

**Machinery Sales**

**Land Rover 90 (2006)**

The Clerk informed that this has not yet been sold but asked if the Sub Committee could suggest and recommend a minimum sum which the Board could accept for it. The Board having had an offer of £6,000 plus VAT.

The Sub Committee **RECOMMENDING** that a minimum sum of £7,400 be set which includes VAT. However this should not limit the Board in seeking a higher sum if possible.

**Tractor and Flail**

The Clerk reported that the Case tractor and Herder Flail was sold to A Morrisons (A contractor used by York Consortium Boards) for a sum of £32,000 plus VAT.

**Yard Lifting Equipment**

The Clerk reported that the Boards workforce had built a concrete hard standing in front of the shed for safe operation of a forklift. The Board had also purchased a CAT Forklift for loading and unloading its buckets and equipment for maintenance work.

## **Engineering Resource**

The Chairman asked about the Engineering resource available to manage the Boards Pumping Stations and if it needs increasing.

The Clerk recognises that current resources can be stretched. It could be a possibility to increase the resource but this would need careful consideration because of the potential cost, the calibre of who could be recruited and the extent of the work required.

## **Bank Accounts**

The Clerk informed Members about the difficulties of obtaining any significant interest on the Board's deposits.

Sub-Committee Members discussed potential investment options and **RECOMMENDED** the Board accepted the position on how the Boards funds are currently invested.

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

**(APPENDICÈS TO FOLLOW)**