

MINUTES of Meeting of Finance Sub-Committee held on Tuesday 4<sup>th</sup> June 2024 at the Ouse & Derwent Offices, Crockey Hill, York

PRESENT

Cllr J Cattanach (In the Chair)  
Mr J Daniel

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

APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr J Hopwood and Cllr J Brooks.

DECLARATION OF INTEREST

The Chairman informed he was a council nominated member of Selby IDB and Kyle and Ouse IDB and uses Brodericks (the company providing the Board's internal audit), with his work as Chairman of Selby District Vision.

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

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

MEETING NOT QUORATE

The Chairman noted the meeting was not quorate. He however believed it was worthwhile running the meeting to consider the items on the agenda and to make recommendations to the Board. The Board can either then accept or change its view on the recommendations made.

The Chairman noted that a representative of York City Council was required on the Sub-Committee for the council's input into the recommendations being made. The vacancy on the Committee occurring due to the promotion of Mr S Wragg and his position having not yet been filled.

The Clerk informed that nominations to the Sub-Committee can be made by the Board, however this would need to be on the basis that any Member would be happy to be nominated.

He further noted at a recent York and North Yorkshire Regional Flood and Coastal Partnership Meeting (RFCC) concern was raised about the delayed progression of some capital works such as the Fordlands Road Pumping Station on Germany Beck with Mr S Wragg's position not being filled.

It is likely that someone may be recruited to this position soon who may be nominated to become a Board Member by the council. The Clerk further confirmed that York City Council has recently confirmed its membership which remains the same excluding Mr S Wragg.

### **North Yorkshire Council Meeting on 24<sup>th</sup> June 2024**

The Chairman noted the Clerk will be attending a meeting as an ADA representative with the Chief Executive of North Yorkshire Council on 24<sup>th</sup> June 2024. He informed he had become aware of this meeting as he was on a scrutiny meeting of the council's Economy and Environment who had a meeting on flooding and was made aware of the Clerks attendance by Mr I Thomson. He also noted that the new arrangements with a mayor and its implications was still uncertain.

### **MINUTES OF MEETING**

It was UNANIMOUSLY RESOLVED that the Minutes of the meeting held on the 9<sup>th</sup> January 2024, a copy of which had been sent to all Sub-Committee Members, be taken as read and approved and that they be forthwith signed by the Chairman as a correct record.

### **MATTERS ARISING**

The Clerk reported that no matters were arising from the Minutes of the last meeting which were not covered on 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 as it currently stands. He noted that references to Selby District Council need changing to North Yorkshire Council but beyond this change the document could remain the same.

The Sub-Committee after considering the document RECOMMENDED that the document with the change noted above is accepted by the Board as the Scope of the Finance and General Purposes Sub-Committee.

## ENGINEER'S REPORT

The Engineering Assistant had circulated a report with the Agenda. This included two items:

### **Machinery Replacement –Industrial Forklift Truck**

The Engineering Assistant confirmed he had investigated various second-hand machines to cover the Board's requirements, the details of which were contained in his report. He confirmed he had consulted with the Chairman and the Vice Chairman on the purchase as agreed at the last Board meeting. The Board deciding to purchase a Kramer KT 407 and part exchanging its Cat 25 Forklift. The overall cost being £40,000 plus VAT to change. He confirmed the Vice Chairman was happy with the make and specification.

Mr J Daniel questioned limitations working in buildings and tight areas.

The Engineering Assistant informing the Manitou option appeared to be very tight but the Kramer appears to be much more versatile. He also noted that training for the machines operators in its usage will also be important with the new machine.

Mr J Daniel noted the machine run hours were high.

The Engineering Assistant informed the Board had looked at machines with much lower run hours but the condition of the machines was not so good. The history of this one is that it was sold by Ripon Farm Services originally then part exchanged for a new one and it looks like it has been looked after.

The Engineering Assistant informing the Board was advancing the purchase of the Kramer KT 407 from Ripon Farm Services on the above terms as agreed with the Chairman and the Vice Chairman as agreed at the last meeting of the Board.

### **Stillingfleet Pumping Station**

The Engineering Assistant confirmed the Board had a meeting with the Coal Authority's Contracts Manager since the meeting documents had been sent out. The report highlighting the options being considered to sustain the station's pumping capacity both in the short-term and the longer-term.

He further informed the Coal Authority were making financial provision to conduct a wider improvement scheme reasonably soon including replacing the outlet flaps and the health and safety hand rails and steelwork as required along with the pumps and electrics.

He informed the Coal Authority Contracts Manager hoped to take the longer-term proposals out to tender shortly and was further in support of the shorter-term arrangements. It being hoped the cost of the shorter-term arrangements can be established shortly. The Board seeking the short-term arrangements can be implemented as soon as possible.

(SEE APPENDIX TO MINUTES)

TENDER  
DOCUMENTS  
(FLAILING)  
REVIEW AND  
AWARD  
APPROACH

Flailing Work Tenders 2024

The Engineering Assistant informed he had discussed the Board's tenders with potential contractors for flailing. The contracts currently being awarded on an annual basis. These discussions have highlighted that greater interest in the work would be achieved if the tendered work ran for a longer period. The Board had tendered the 2024 flailing contract for a two-year period with rates also being provided in the tender for a third year. The final year remaining optional for the Board to accept depending on the rates provided. A longer-term commitment by the Board is believed to give a greater opportunity to the contractors to invest in plant and manpower with a greater surety of work. In view of rewriting the tender documents the closing date for the tender submission has been delayed but is before the next meeting of the Board on 25<sup>th</sup> June 2024.

The Chairman offered to attend the Board's office to formally open the tenders prior to this meeting so a formal recommendation on the award can be made at the main meeting following review by the Engineering Assistant.

Mr J Daniel agreeing to this approach as the tender returns require review prior to the June main meeting.

The Engineering Assistant leaving the meeting at this time.

DEFRA 2024/25  
FLOOD RECOVERY  
AND ASSET  
REFURBISHMENT  
FUND

The Clerk made Members aware of the scheme which originally was announced at the National Farmers Union Conference of a fund for IDBs to recover from flooding and refurbish assets. A total sum of £75 million being provided based on the following criteria:

- The investment will be made in the 2024/25 financial year;
- The Environment Agency will be administering the scheme;

- Expressions of interest for storm recovery will be required by 7<sup>th</sup> June 2024;
- Expressions of interest for asset improvement will be required by 28<sup>th</sup> June 2024.

The expression of interest is required on a special form which requires a certain amount of detail to be eligible to apply.

The Clerk will be considering the applications which can be made across the Consortium Member Boards with the resources and required information available. It appeared the grant will not apply to Coal Authority Assets. It is considered excess electricity used in the Boards storm pumping over the winter months is an eligible cost to claim from the Storm Recovery Fund.

## REVIEW OF POLICY ON COURT ACTION

The Clerk highlighted the Board's current policy is as follows:

The Board has a policy of progressing court action on accounts with sums more than £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. (October 2017).

The Clerk noted other Boards take action on outstanding rates over £15 or three years non-payment.

The Finance Officer seeking consistency across the Boards who are Members of the York Consortium. This Board being asked as its policy is different.

### Sub-Committee Recommendation

The Board has a policy of progressing court action on accounts with sums more than **£30.00** or accounts which had not been paid for a period of **two 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.

The Clerk can then see if the other Boards of the Consortium could move to it.

REVIEW OF THE  
AUDITOR  
CERTIFICATE  
2023/24

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 2023/24 year-end audit. This is to try to ensure compliance and to avoid audit prequalification.

The Clerk had circulated with the Agenda a copy of the External Auditor comments of 2022/23 (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 2023/24.

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 31<sup>st</sup> March 2024 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 Board’s 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

ACCOUNTING STATEMENTS

The Clerk informed the Audit Commissions Annual Return has been completed for 2023/24 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 1 – Annual Governance Statement 2023/24.

**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 31<sup>st</sup> March 2024. The accounts having been internally audited, with the Auditor having completed and signed off Section 3 Annual Internal Auditor Report 2023/24 of the IDB return.

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

**Year on Year Variation of Coal Authority Income**

The Finance Officer explained the variation in costs recharged to the Coal Authority.

The Clerk explained that it depends on the amount of electricity used along with the amounts on repair and replacement of pumps and auto weed screens. Increasing costs also creating variation year on year.

**Interest Rates on Board's Funds**

The Clerk explained the Board's position on investment and interest rates currently being achieved. The Board taking advantage of the increased interest rates.

**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 2023/24.



## 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 2023/24.

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

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 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 2024/25.

The Clerk informed that Towergate, the Board’s insurance broker, specialise in IDB cover and he would have concerns with others if they would be able to provide the continuity in cover across Consortium arrangements. However, alternative brokers exist but many IDBs use Towergate who can potentially obtain better quotes because of the amount of the sector for which it is purchasing.

The Clerk reported that the Board’s insurance policies are due for renewal in early June. If the costs are available, he will provide them at the main meeting of the Board with the Agenda.

The Clerk informed that the election programme agreed at the Board’s Annual General Meeting in January was advancing. The Board had approved the Register of Electors which had been advertised on the Board’s website.

## TERMS OF REFERENCE FOR INTERNAL AUDIT

## INSURANCE

## ELECTION AND UPDATE ON RECONSTITUTION REDUCTION IN MEMBERSHIP NUMBERS



The Clerk will be issuing nomination forms in August to existing elected Members and any other nomination forms as required. The closing date for submission of nomination forms is 24<sup>th</sup> September 2024. If an election is then required this will be on 23<sup>rd</sup> October 2024 and the new Board will be in place on 1<sup>st</sup> November 2024. The election of the Chairman and the Vice Chairman for a three-year tenure will be at the Board's meeting in January.

The Clerk informed he is advancing the election on the current Membership numbers of the Board as it is unlikely that the new reduced levels of membership will be in place.

OFFICE LEASE  
RENEWAL/OFFICE  
REPAIRS UPDATE

The Clerk informed the office lease has been signed and in place as previously agreed. The signature of Airedale Drainage Commissioners' new Chairman still being required to complete the document.

The Finance Officer informing that a quote to replace two of the building's wooden windows in need of repair with UPVC was being progressed and accepted. The Board further seeking contractors to quote to resolve the damp problems in the hall. It appearing difficult to find contractors willing to quote for the work.

The Sub-Committee recognised that a more detailed proposal was required for the Sub-Committee's consideration at a future meeting regarding the damp but is clearly an issue which needs addressing.

CORRESPONDENCE

The Clerk reported there was no correspondence of significance received for consideration since the date of the last meeting.

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 Members with the Agenda.

The Sub-Committee RECOMMENDED that payment of these accounts be confirmed.

**(SEE APPENDIX TO MINUTES)**

DATE OF NEXT  
MEETING

**Tuesday 24<sup>th</sup> September 2024 at 10.00am.** This being prior to the Board meeting on 22<sup>nd</sup> October 2024.

The Chairman requesting that future meetings be held at 10.00am.

Mr J Daniel informing the timing does not make much difference to him.

The Finance Officer sending an apology for this meeting.

DATES OF FUTURE MEETINGS

**Tuesday 7<sup>th</sup> January 2025 at 10.00am.** This being prior to the Board meeting on 21<sup>st</sup> January 2025.

**Tuesday 10<sup>th</sup> June 2025 at 10.00am.** This being prior to the Board meeting on 24<sup>th</sup> June 2025.

**Tuesday 23<sup>rd</sup> September 2025 at 10.00am.** This being prior to the Board meeting on 14<sup>th</sup> October 2025.

ANY OTHER BUSINESS

The Chairman closed the meeting at 11.33am as there was no other business.

**(APPENDICÈS TO FOLLOW)**