

**Minutes of the Finance & General Purposes Committee of the
Lower Severn (2005) Internal Drainage Board
Meeting held Wednesday 23rd January 2019 at 10.30 am
At the Gables Hotel Falfield**

Present:

Ald C Williams
Cllr P Abraham
Mr J Hore
Mr G Littleton

Chairman

Cllr M Riddle
Mr G Simms
Mr R Thatcher

Martin Dear Accounts Officer
Kieran Warren Principal Officer
Susan Williams Minutes

AO
PO

2808.	<p>Apologies: Apologies were received from: Mr M Barnes and Ald B Richards.</p>	
2809.	<p>Declarations of Interest There were no declarations of interest.</p>	
2810.	<p>Minutes of the Previous Meeting</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • The minutes of the Finance & General Purposes Committee Meeting held on 12th December 2018 be approved as a correct record. 	
2811.	<p>IT Review The PO reported he had received from Company A quotes for a two- and three-year option, each with savings on the original one-year tender. Members were satisfied with this outcome.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • The three-year fixed price deal from Company A be accepted. 	<p><u>Action 1</u> PO to accept the 3-year IT support contract.</p>
2812.	<p>Accounts Officer's Reports <u>Management Accounts 1st April 2018 to 30th November 2018</u> These accounts showed a surplus of £1,536.</p> <p>The AO updated the Committee; in December he had placed £500k of cash in short term deposit accounts (Lloyds - £400k and NatWest - £100k) as approved by the Treasury Sub Committee (Minute 2767 refers).</p> <p>Members noted these Management Accounts</p> <p><u>Forecast Results for the ended 31st March 2019</u> The year-end forecast predicted a surplus of £6,121. This was a negative variance of £11,339 from the budgeted outturn. The most significant differences were an overspend on machinery repairs and fuel which were offset by an underspend on pump station electricity. Also following the Staff & Pension Committee meeting the AO had incorporated into the accounts the recommended increase in staffing costs which related to pay awards and pension contributions.</p> <p>It was recommended that:</p> <ul style="list-style-type: none"> • Forecast Results for the year ended 31st March 2019 be referred to the Board for noting. 	

<p><u>Draft Budget for 2019/20</u> The AO had prepared a draft budget with a 9.0p rate for 2019/20 this was an increase of 0.5p on the previous year's rate. This budget predicted a surplus of £16,216 at the 31st March 2020. The Committee approved the draft budget and were satisfied that this budget predicted a surplus balance at year end.</p> <p>It was recommended that:</p> <ul style="list-style-type: none"> • A budget with a 9.0p rate in the £ be referred to the Board for approval. <p><u>Capital Expenditure</u> Members noted the AO had updated the 2019/20 capital budget with the latest cost and sales figures.</p> <p>It was recommended that the:</p> <ul style="list-style-type: none"> • Capital Expenditure for 2018/19 and 2019/20 be referred to the Board for noting. <p><u>Apportionment Between Charging Authorities and Agricultural Rates</u> The AO had prepared the schedule of 2019/20 charging authorities levies based on a rate of 9.0p in the £. This showed the increased levy due from each authority taking in to account land transfers and the 0.5p increase in rate. Members had noted the levies.</p> <p>It was reported that South Gloucestershire Council had included a separate entry to identify the LSIDB levy in their budgets.</p> <p>Members from Bristol City Council were aware their authority was reviewing its representation on the LSIDB, in light of the proportion of levy income collected by Bristol City Council.</p> <p>It was suggested that the Chairman of the Board write to the Bristol City's Mayor with an invitation to see the LSIDB's work.</p> <p>It was recommended that:</p> <ul style="list-style-type: none"> • The 'Apportionment Between Charging Authorities and Agricultural Rates' be referred to the Board for noting. <p><u>Medium Term Financial Plan</u> The plan had been updated to reflect the proposed rate of 9.0p in 2019/20 with an annual increase of 0.5p until 2023/24.</p> <p>Mr Simms asked whether the MTFP reflected the change from a fixed term machinery replacement programme to one based on engines hours/reliability.</p> <p>The AO replied that the new method had been reflected in this MTFP.</p> <p>The Chairman brought members attention to the heading 'Revenue reserves as a % of expenditure'. This figure ranged between 41.43% to 44.06% in the updated plan. He referred the Committee to the Board's Financial Regulations;</p> <p>3.5. Uncommitted provisions in the revenue budget shall not be carried forward to a subsequent year. However, a general provision including a contingency should be maintained which is equivalent to approximately 30% of the Board's annual expenditure.</p> <p>He had identified that there was a conflict between the level of reserves in the MTFP and the Financial Regulations. He acknowledged that the Financial Regulations were scheduled to be</p>	<p><u>Action 2</u> Board Chairman to write to BCC Mayor</p>
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	<p>reviewed by the G&P Committee and that a capital programme, if approved, proposed to designate some reserves to future expenditure.</p> <p>The AO confirmed that a suitable capital programme would reduce the general reserves to below 30%.</p> <p>The Chairman asked the PO about the timescale to produce and agree a capital programme.</p> <p>The PO replied that if the Board approved the Engineering Committee's recommendation for a capital programme, he would issue pro-forma to all members inviting suggestions for projects to be included. These projects would then be assessed by the Engineering Committee for inclusion in the programme. The Engineering Committee were scheduled to meet in November.</p> <p>Members would be uncomfortable increasing the percentage of reserves when the Financial Regulations were reviewed. It was agreed that it was important for the Board to drive a capital programme forward.</p> <p>The Committee agreed the Medium Term Financial Plan</p> <p>It was recommended that the:</p> <ul style="list-style-type: none"> • The MTFP be referred to the Board for approval. 	
2813.	<p>Cash Flow Members noted the Cash Flow to November 2019.</p>	
2814.	<p>Developers Funds It was recommended that:</p> <ul style="list-style-type: none"> • The Developers Funds Statement as at 30th November 2018 be referred to the Board for noting. 	
2815.	<p>Rate Setting 2019/20 The Committee having considered the AO reports were unanimous in setting a 9.0p rate in the £.</p> <p>It was recommended that:</p> <ul style="list-style-type: none"> • A drainage rate of 9.0p in the £ be referred to the Board for approval. 	
2816.	<p>Payments Noted Members noted the payments made between 1st November 2018 and 31st December 2018 and transfers made between accounts.</p> <p>Mr Hore noted from the payments in November that £30,926.16 had been paid for the eel friendly pump for Saul Pumping Station. He asked when this would be installed. The PO explained that obtaining the formal consent from the Environment Agency was holding up the project.</p>	
2817.	<p>Date of Next meeting Members noted that the next F&GP meeting would be held 22nd May 2019.</p>	
	Meeting closed at 11.30 am	