

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of a meeting of the Executive Committee

held at the Offices of the Board on
3rd June 2015 at 2pm

Members

Chairman - * Mr M J Scott

* Cllr P Bedford * Cllr M Brookes
* Mr R Leggott * Mr K C Casswell
* Mr J R Wray

* Member Present

In attendance: Mr I Warsap (Chief Executive)
Mr D Withnall (Finance Manager)

752 APOLOGIES FOR ABSENCE

There were no apologies for absence.

753 DECLARATIONS OF INTEREST

There were no declarations of interest in addition to those already declared.

754 MINUTES OF THE LAST MEETING

Minutes of the last meeting held on 14th January 2015, copies of which had been circulated, were considered and it was agreed that they should be signed as a true record.

755 MATTERS ARISING

(a) Black Sluice Strategy - Minute No 672b

The Finance Manager updated the Committee on the monies received for the recovery of the Wyberton Catchment following the December 2013 Tidal Surge as below.

FDGiA	£464,000
Bellwin	£ 41,000
Slippery Gowt (EA)	£ 19,000
Development Fund	£ 90,000
TOTAL	£614,000

(b) Rechargeable Works - Minute No 672c

Profit of approx £40,000 resulting from the Calders and Grandidge works and this profit will fall into this year as the works staggered the year end.

(c) EA Asset Transfer - Minute No 672e

The Chief Executive informed the committee that at the last Boston Barrier meeting Lincolnshire County Council introduced themselves as a partner in the Black Sluice catchment scheme, mainly due to the Fens Water Way Link. We are trying to set up a meeting with Lincolnshire County Council and will discuss with the Board Chairman when a date is set to see who he wants to be involved.

The Chairman expressed that this seemed to be a great development and could make taking over the Black Sluice Pumping Station more viable.

The Chief Executive introduced a related communication from an Environment Agency Officer detailing some main rivers that the Environment Agency are considering de-maining in and around our area and have approached the Board asking if we want to put these rivers on to our own maintenance schedule. This matter was discussed at the Lincolnshire Clerks Society earlier this week and it was discovered that most Board's in Lincolnshire and North Lincolnshire have had similar approaches. It was decided to go back to the Environment Agency with one response with an overall map being produced with costs relating to getting the proposed drains up to IDB standards and the estimated annual maintenance costs.

Matt Warman MP has requested the figures to get them to IDB standard so that he can lobby the other Lincolnshire MP's. If he can't arrange a meeting locally he would invite the Chairman and CEO's to London.

The Chairman felt that this approach has brought the issue to the forefront and raises the question if we should review our own systems and look if watercourses only serving one occupier should be returned to riparian ownership.

(d) Plant Account Proposals - Minute No 675

The Claas Tractor has been sold for £25,000 with the Grenadier Attachment and the oldest cutting bucket for £1,500

(e) Development Consent Fee Account- Minute No 676

The Chief Executive informed the Committee that funding for the Wyberton Roads Culvert will now be required from the Development Fund with estimated costs revised to £90,000.

755 (e) Cont.....

The Finance Manager informed the Committee that the balance of the Development Fee Account was currently £142,000 and the Committee AGREED the proposal.

(f) Human Resources - Minute No 678

It was agreed and thereby RESOLVED to exclude the public from the next part of the meeting due to the confidential nature of the business to be transacted, in accordance with section 2 of the Public Bodies (Admission to Meetings) Act 1960.

(g) 2015/16 Objectives - Minute No 679

The Chief Executive informed the Committee that the 2015/16 Objectives have not yet been published on the website but this will be rectified shortly.

(h) ADA White Book - Minute No 680d

The Chairman asked for an update on the negotiations with the unions. The Chief Executive informed the Committee that the union had declined the offer of 1%. Despite the employers side attempting to arrange a meeting the union wanted to originally delay the meeting until after the election and now delay it further until after the budget on 8th July 2015.

Mr Leggott enquired if we would be putting men on standby over the holiday periods in future following the refusal to do it based on the amounts paid. The Chief Executive replied that we would not be doing this as following investigations it appears Black Sluice IDB were the only local Board still doing this and when the men were called in over the Christmas 2014 period they still volunteered.

(i) Drainage Rate Brochure- Minute No 680b

The Finance Manager informed the Committee that he had left a copy of the leaflet sent out with this year's drainage rate demands for the non-ratepayers of the Committee.

756 UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2015 - Agenda Item 5

The Finance Manager presented the unaudited accounts of the Board for the year ended 31st March 2015 and highlighted the following points.

- The Annual Governance Statement on page 6 of the accounts had a very small adjustment highlighted by red text to replicate the same report in the Annual Return which is subject to the limited assurance audit.

- The Accounting Policies had been amended on page 8 at paragraph 2 of the fixed assets section to reflect the fact that the Office on Carlton Road, Boston had now been sold and therefore would not be subject to re-valuation every five years.
- On the Income and Expenditure Account the DEFRA Grants income has increased by £336,000 with the majority of the income being attributed to the Wyberton Catchment improvements as detailed in note 2. The smaller income amounts are to engage consultants and commission studies for applications for grants in future years.
- Included in Sundry Income is the £200,000 income relating to the sale of the Carlton Road Offices and in addition points of note include £1,500 received for employing an apprentice, £1,900 income from the Depot Solar Panels, from 1st August only, and £2,000 income from the Swineshead Pumping Station Solar panels
- Income from Rechargeable works has decreased by £85,000. A large damming and pumping operation for the value of £84,000 was included for May Gurney whilst they constructed a Railway bridge in 2013/14.
- Asset Refurbishment expenditure had increased by £308,000 compared to the previous year and this included expenditure installing solar panels on the Depot Roof. This is attributed in the main to the additional £336,000 received in DEFRA Grants.
- Drain Maintenance finished the year £56,000 less than the previous year.
- Pumping Station Maintenance came in just below budget at the end of the year due to a dry final quarter of the year.
- Administration costs were down £7,000 compared to the previous year.
- Depot costs were £20,000 higher than in 2013/14 which is attributable to the approximate £20,000 spent on the new store rooms and mezzanine flooring.
- Included in establishment charges is £9,310 for expenses relating to the Carlton Road Offices, whilst they were empty, prior to being sold.
- On the Balance Sheet it was noted that there was a reduction of £211,000 with £200,000 relating to the sale of the Carlton Road Offices.
- Cash at bank and in hand was £382,000 greater than the previous year and this is due to the Environment Agency paying out all the claims relating to 2014/15 with work continuing into the new financial year.

The Chairman expressed his surprise in the £345,000 increase in the Pension Liability as from his experience of other pension schemes these liabilities were now starting to decrease as a result of improved Gilt rates and a more buoyant investment market.

757 INTERNAL AUDIT REPORT - Agenda Item 6

The Chairman highlighted that we had received a Substantial Assurance rating for the second year with no management plan being required.

758 BOURNE FEN ACCOUNTS - Agenda Item 7

The Chairman reminded the Committee that the alleviation rate was the same as previous years and highlighted the value of the fund at £324,373

The Committee agreed that David Gowing, the internal auditor should be asked to review these accounts on his next visit.

All the Committee members were happy with the split of the investments

759 INTERNAL AUDIT STRATEGY - Agenda Item 8

The Audit Strategy was reviewed by the Committee and it was AGREED that the proposal would meet the requirements of the Board.

The Finance Manager informed the Committee that the Audit & Risk Committee now have a part of their meeting once a year without any officers present where they can discuss matters with the Internal Auditor. Arising from this was for him to review Network and Cyber security.

760 PERIOD 1 MANAGEMENT ACCOUNTS - Agenda Item 9

The Period 1 management accounts were reviewed and the Finance Manager apologised for a mistake in the current period figures as the Pumping Station electricity costs had been included twice. The Year to Date figures are the correct figures.

Mr Leggott asked some questions in relation to the Income and Expenditure by Nominal accounts with responses as follows:

- The Drainage Rates are showing £58,000 less than the previous year in the same period due to the demands going out later this year as Easter was at the very beginning of April. This will be less obvious as the month's progress.
- The differences in the Miscellaneous section relate to the reversing journals at year end for Contractors invoices outstanding at year end still not paid and Crop Loss identified but not yet claimed and paid.
- Recharges are substantially less due to having two men on long term sick following an accident in the Boards Tipper truck and a further employee sick due to a change in Cardiac medication.

761 PUMPING STATION VALUATIONS - Agenda Item 10

The Chief Executive informed the committee that he had sought input from other Boards and it has revealed that IDB's generally exclude the sub structures of the pumping stations and some even exclude the pumps.

It would appear that Black Sluice IDB are the only Board that insures the entire asset. The worse-case scenario they can envisage is if a plane flies into a pumping station then they would claim off their insurance.

Direction is required from the committee and maybe the Board on how we want to proceed and we need to agree what element of our Pumping Stations we are going to insure.

The Chairman stated that the issue as he sees it is, it is very easy to pay the extra £10k but he thinks it is wrong as the chance of a Pumping Station being completely destroyed is very unlikely to happen. Now the underwriters have the figures there is a risk that we could be averaged on any claim on the assumption we are self insuring. It has been estimated that taking the Substructure out of the calculations would reduce the £58m by about £17m. If we were to do this we would need to make sure that the underwriters understood what we were actually insuring.

The Chief Executive gave the opinion that there is a chance that a tidal surge could take out the Wyberton and Kirton Marsh sub-structures as they are on the tidal river and in a raised embankment.

NFU, as our brokers, have asked the underwriters to consider insuring on a "First Loss" basis and they responded to inform us that when rating they are considering only one pumping station being taken out in any one year so there would not be any savings.

The Committee AGREED to recommend to the Board to just insure the two Pumping Stations on the Haven for full and take the risk on the others with the sub-structures not being insured and this being specified. The Chief Executive is to request a quotation from NFU on this basis.

762 VOSA LICENSING - Agenda Item 11

A VOSA Traffic Examiner could not see any reason why the use of the Board's Tractors by the Board would not fall under agricultural use, as to transport the tractor on a low loader to site would be impractical. At the same time he stated if you were stopped on the road and explained the nature of your business as protecting agricultural land from flooding, then there would be no reason to doubt the agricultural use of the vehicle.

The Committee AGREED to amend the use of Tractors, Excavators and the Teleporter from General Haulage to Agricultural Use. Further investigation into the use of the Unimog as an Agricultural vehicle is ongoing.

763 ANY OTHER BUSINESS - Agenda Item 12

(a) Commercial Business Rates

The Finance Manager referred to the email sent to all Committee members in relation to commercial rates as copied below.

"Boston Borough Council have discovered that they had not completed the work required to sign off the extension to our HQ building at Swineshead which then sparks a revaluation, by the Valuation Office, for the purposes of Business Rates.

I suspect they are in a state of flux as from the 1st April 2016 they will not be allowed to back date any claims further than 1st April 2015. For Ratepayers appealing their valuation this is already the case.

The valuation has now been processed and we have checked and agree with the values but this has resulted in significant sums being invoiced by Boston Borough Council that were not included in the budget. The valuation is based on the Square meterage of the building with each category being given a different rating value. i.e. Offices (£40.92/m²), Store (£29.47/ m²), mezzanine (£15.50/ m²) etc.

For the Extension and new offices the rateable value has increased from £39,750 to £51,500 and the following invoices have been issued;

- 2012/13 = £5,160.34
- 2013/14 = £5,534.25
- 2014/15 = £5,663.50
- 2015/16 = £5,989.50
- **Total = £22,347.59**

Further to that the Mezzanine flooring and additional storage rooms have now been completed and they have also increased the Rating Valuation from £51,500 above to £53,000 and we have received the following invoices not included in the budget;

- 2014/15 = £ 11.88
- 2015/16 = £ 739.50
- Total = £ 751.38

Total amount not included in budget = £23,098.97

In comparison 2014/15's original bill for Carlton Road was £9519.50 compared to an uplift of £5663.50."

The Committee reluctantly accepted that these costs would have to be included in this year's accounts as the officers had investigated and included the valuations and the backdating of the charges to be correct.

(b) Matt Warman MP

Matt Warman MP would like us to arrange an inspection of the Board's area to allow him to get an understanding of what an Internal Drainage Board does.

(c) New Members Induction Day

The Chairman informed the Committee that a new member's induction day is currently being arranged.

763 Cont.....

(d) Election

It is generally understood that all but Mr M Scott will be re-standing for election on 30th October 2015. A Nominations Committee is to meet after this meeting.

There being no further business the meeting closed at 15:25.