

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of a meeting of the Executive Committee

held at the Offices of the Board on
17th May 2016 at 2pm

Members

Chairman - * Mr K C Casswell

* Cllr P Bedford	* Cllr M Brookes
* Mr J Fowler	* Mr P Holmes
* Mr M Rollinson	

* Member Present

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

950 Apologies for Absence - Agenda Item 1

There were no apologies.

951 Declarations of interest - Agenda Item 2

There were no Declarations of Interest.

952 Minutes of the last meeting - Agenda Item 3

Minutes of the last meeting held on 27th January 2016, copies of which had been circulated, were considered and it was agreed that they should be signed as a true record with the following amendments;

- a) Minute 884 - An additional 884 Cont.... has been included after the second paragraph which will be removed
- b) Minute 884 - in the 1st Bullet point "Slit" will be changed to "Silt"

953 Matters Arising - Agenda Item 4

a) Period 9 Management Accounts & Forecast - Minute 879

- i) The Finance Manager reported that £78,774 of Flood Defence Grant in Aid Money was still due from the Environment Agency. The Chief Executive has been relentlessly chasing this money and has been assured that it has been authorised for payment. There has been many broken promises of payment dates. The Committee AGREED that the Environment Agency precept payment of £138,276 should be withheld until this debt was settled.

- ii) The Finance Manager reported that the Co-operative Bank 12 month fixed term investment account has now been opened and the £300,000 cheque cashed on 20th April 2016. The forms were originally sent on 4th February 2016.
- iii) The Finance Manager was pleased to report that 100% of last year's Drainage rates have now been collected.
- iv) The formal complaint to British Gas has been made by our energy consultants and British Gas has assigned someone to work with them to resolve the problems and get everything transferred over. We have had to send in photographs of three sites to prove the readings and that the meters are installed. The Chairman highlighted that if it had been a wet year requiring a lot of pumping then we would not be as comfortable with the estimates as we are. The Finance Manager reported that he believed the estimates included are generous estimates. Mr J Fowler suggested that we should make sure we have a complaint reference number so that the Board is able to claim for the expenses, including the Finance Managers time, when the situation is resolved.

b) 2016/17 Budget - Minute 880

- i) Cllr P Bedford asked if any further correspondence had been received from South Holland District Council as they had indicated that they would not accept any increase in the penny rate. The Finance Manager replied that nothing had been heard from them and he assumed that the payment would be made before the due date next week. The Finance Manager agreed to update the Committee when the payment was received.
- ii) The Finance Manager reported that we still have no pay settlement for 2015/16 and now, as we are in 2016/17, we are two years behind. The Board has paid 1% on account for each year as per government direction on Public Sector Pay. At the Lincolnshire ADA AGM it was agreed that a meeting of all the Board's Chairmen and Chief Executive's would be convened to discuss the current unacceptable situation and agree how to direct the ADA Pay and Conditions Committee.

The Chief Executive reported that the meeting had been arranged for 2nd June 2016 at the Witham Fourth IDB offices and direction from the Committee was required on how we would prefer to proceed.

Cllr P Bedford reported that 1% had been agreed between the Local Government Association and the Unions so this should be a good indication on how the Board should proceed.

The Chairman believed that a line should be drawn under the 2015/16 pay settlement at 1% and then negotiation commence on the 2016/17 pay award. The Chairman of the ADA Pay and Conditions Committee believes that the 1% increase is non-negotiable which creates a problem when negotiating with the Union. The Finance Manager reported that the Union had balloted for Industrial Action.

Mr M Rollinson stated that we needed to clarify if we were restricted by the 1% public sector pay award.

The Finance Manager stated that the Summer Budget 2016 stated at paragraph 2.20 *"The Government will fund public sector workforces for a pay award of 1% for 4 years from 2016-17 onwards."*

His interpretation of this is that this related to centrally government funded employees, which IDB employee's are not, but it does give a steer.

The Chief Executive reminded the Committee that we had included for a 2% increase in the 2016/17 budget and therefore if we were going on our own we could pay up to 2%. Cllr P Bedford and Cllr M Brookes stated that the Board had to stick to 1%.

The Chairman asked how strong the union representation was amongst the Board's employees and the Finance Manager replied that as membership fees can be paid direct to the Union we do not know unless they declare it.

A Member asked if the nine day fortnight could be included in a package deal in negotiations with the employee's but it was pointed out that the two matters were separate issues and to do anything along that line would require the Board to break away from the ADA Pay and Conditions Committee.

A Member asked if we knew what other IDB's not in the Lincolnshire ADA Pay and Conditions Committee were doing in relation to pay awards such as North Level IDB. The Finance Manager stated that North Level IDB had negotiated a formula linked to the Average Weekly Earnings index many years ago and Lincolnshire ADA had trialled this for a three year period but when this agreement had expired they felt they were restricted to a 1% increase.

The Chief Executive stated that he was aware of another Lincolnshire Board that has increased all the men's grade to a craftsmen grade and provided them with Board owned vehicles.

The Committee concluded and AGREED that the Board should remain members of the Lincolnshire ADA Pay and Conditions Committee but present the view that we should stick to the 1% increase in both 2015/16 and 2016/17.

- iii) The Finance Manager updated the Committee that the work on the servers has been completed and other than a minor problem with the updates it is all working well.

c) 2016/17 Plant purchase proposals - Minute 881

The Twiga SPV2 has been delivered, the Hitachi ZX 210LC-5B is due to be delivered next week assuming it passes its PDI on Friday.

The Chief Executive informed the Committee that the first PDI was not successful due to the arm not being able to fold up to fit on the Low Loader with the bucket in place. Hitachi and Kokurec have agreed with us that they will fit a quick hitch and counter weight at their cost so the bucket can be easily removed when being transported.

The John Deere has been part exchanged as part of the Twiga purchase and the JCB 220 was sold at the end of last year.

d) Working Group - Minute 884

The Chairman invited the Committee Members to be part of a working group looking into proposals for the Board to take on the maintenance of Environment Agency assets in the catchment as part of the Public Sector Cooperation Agreement.

e) Review of 2016 Salaries - Minute 886

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 1060.

f) Works Inspections - Minute 887(d)

The Chairman expressed that he thought the Works Committee inspections went really well and there has been lots of personal feedback. The Chairman of the Committees and Officers were thanked for arranging them.

Mr M Rollinson raised the point that the committee membership of the Works Committees needs to be reviewed and it was AGREED that the Chairman of the Works Committees would bring their proposals to the next Executive Committee meeting to be ratified by the Board in November.

954 Period 12 Management Accounts - Agenda Item 5

The Finance Manager stated that the Period 12 management accounts were being presented alongside the financial statements as they provided more detail enabling the Committee to make more informed decisions.

He then went on to highlight the following;

- a) Solar Income has been split out from Other Income as requested by the Board to enable better monitoring of the installations.
- b) The £257,986 overspend on schemes is all funded from Grant income.
- c) PS Schemes - £25,000 was deferred for the replacement of Donington Wykes PS Pumps and the money used to put new roofs on Chain Bridge and Great Hale Pumping Stations so they could have Solar panel installations.
- d) Generous Estimates have been included for Electricity at the Pumping Stations due to the ongoing problems with the changeover to British Gas which commenced in April 2015.
- e) Almost £100,000 underspent on Drain Maintenance. All the planned Drain Maintenance works were completed with the Wyberton Catchment works being funded from Flood Defence Grant in Aid.
- f) Environmental slightly overspent due to additional work undertaken at the end of the year.
- g) Admin and Establishment includes £23,098 unbudgeted costs for Business Rates but we are only £7,500 overspent.
- h) £112,638 Solar Expense is investment in the Solar Panel installations
- i) £55,000 profit on rechargeable works including;
 - i) £28,000 all risks contract with Calders and Grandidge for culvert works

- ii) £11,000 all risks contract with SKDC (Total Contract £32,000, 34.38% profit)
- iii) £6,000 Environment Agency Contract on the Public Sector Cooperation Agreement (Total £78,000, 7.69% Profit)
- j) Debtors Control Account includes £50,000 owed by the Environment Agency at year end but was paid on 1st April.
- k) Payroll Control accounts are all timing issues
- l) Accruals included in the previous year was the FDGiA money carried over into the new year at last year end.
- m) £291,000 reduction in the Pension liability this year which equates to a 9% reduction. This takes the liability to £6,000 less than the previous tri-annual valuation and therefore it is hoped that employer's superannuation contributions will be able to be held at the current rate if not reduced.

955 2015/16 Unaudited Financial Statements - Agenda Item 6

The Finance Manager explained that the figures in the Unaudited Financial Statements are taken from the Period 12 Management Accounts that were reviewed in the previous Agenda Item.

It was then explained that the Accounts and Audit Regulations Act 2015 came into force, for Internal Drainage Boards, from 1st April 2016 but there was a clause included which allowed it to be adopted a year early. A new Practitioners Guide has been published which includes all "Smaller Authorities" which is the status that a drainage Board below £6.5m turnover is deemed to be. The annual return which has been sent out for completion and will be reviewed at the next Board meeting is in the new format. There are minor changes in the form but the figures are readily available and our accounts are already produced using the policies recommended in the New Practitioners Guide. I have therefore adopted the regulations for 2015/16 Accounts and Annual Return.

The Finance Manager explained that in accordance with the new regulations the Annual Governance Statement has to be reviewed, approved and signed before the accounts within the Annual Return can be approved. A presentation will be given at the Board meeting explaining what the Assertions are and how the Board are complying with them. Cllr M Brookes informed the Chairman that the Audit & Risk Committee had already reviewed the presentation.

The Finance Manager explained that the depot and bungalow have been revalued this year, in accordance with the accounting policies, with an increase in value from £90,000 to £130,000 for the bungalow and £737,739 to £739,350 for the depot.

It was noted that the Revenue Reserve was £880,038 when the value included in the 10 year estimates being expected at year end was £602,751 giving additional £278,000 in the reserves. This will be revisited when the budgets are produced for next year.

Dates on pages 13 and 14 will be corrected before being presented to the Board in June 2016.

956 2015/16 Audit Report - Agenda Item 7

The Chairman highlighted that we had maintained the Substantial Assurance level.

The Finance Manager pointed out that the Internal Auditor has changed his schedule this year and in the future this report will be presented to the Audit & Risk Committee before coming to the Executive and Board which seems a much more logical order of events.

957 2015/16 Bourne Fen Farm Accounts - Agenda Item 8

The Finance Manager pointed out that the income and investment value had dropped slightly in the year but this was not seen as an issue.

James Scott of Brewin Dolphin gave a presentation in relation to the Bourne Fen Farm Trust investments and it was concluded that;

- a) The fund should be in the name of The Bourne North Fen Farm Trust and not Black Sluice Internal Drainage Board.
- b) The fund should be managed by Brewin Dolphin on a discretionary basis.
- c) The fund is to be managed on the Brewin Dolphin Risk 5 template until an investment policy can be produced and reviewed at the September Executive Committee meeting.

958 Wyberton United Charities - Agenda Item 9

The report was reviewed and the Executive Committee concluded that the report should be presented to the Board with the recommendation that additional Land Loss payments could not be paid as this would set a precedence and in the future other people selling land would be able to make similar claims.

It was agreed that the report should be sent to Mr J Chester representative of Wyberton United Charities for information of what was being presented to the Board.

959 Nine Day Fortnight Proposals - Agenda Item 10

Cllr M Brookes asked if a quarter past four finish in the winter could present a problem. The Chief Executive responded that he felt it would be better that the men on machines undertook the maintenance tasks at the end of the day when it was dark and the gang would be travelling back to the depot and packing away.

Cllr M Brookes acknowledged that this would also give the Board some flexibility as the Friday's when the men were off could be used as overtime if it was required.

It was confirmed that the modern machines require major servicing undertaken by the dealerships and this could be completed unsupervised on the Friday's that the men were not at work increasing productivity.

Mr P Holmes enquired as to whether the workforce have to agree a change on block or is a majority acceptable?

The Committee AGREED that a 10:5 split would be acceptable as the workmen would have to take it on as a whole. The Office Staff could choose to adopt it or not and this would not cause a problem.

The Committee AGREED to proceed as per the recommendations included in the report.

1. Send this report to all employees for consultation for four weeks starting 18th May 2016. Request all responses, to be kept confidential, returned by the latest 14th June 2016 indicating whether they are in favour or otherwise with any comments they wish to make.
2. All comments and vote count will be presented to the Board at the meeting on 15th June for a final decision.
3. Assuming a positive decision this will be implemented from the commencement of the cutting season on Monday 18th July allowing a 4 week notice of a change in working hours to be issued to employees.

960 Any Other Business - Agenda Item 11

a) Appointment of Independent Person to review Senior Officer salaries

Cllr M Brookes asked if any progress had been made appointing an independent person to review senior officer's salaries. The Chairman responded that he would make contact with the independent person used by Boston Borough Council now that it was a formal recommendation from the Audit & Risk Committee.

There being no further business the meeting closed at 3:51pm.

