

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of a meeting of the Executive Committee

held at the Offices of the Board on
13th September 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)

991 APOLOGIES FOR ABSENCE - Agenda Item 1

There were no apologies for absence.

992 DECLARATIONS OF INTEREST - Agenda Item 2

There were no declarations of interest.

993 MINUTES OF THE LAST MEETING - Agenda Item 3

Minutes of the last meeting held on 17th May 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 953(f) – second sentence remove “Chairman” replace with “Chairmen” and again in the second paragraph.

994 MATTERS ARISING - Agenda Item 4

(a) Works Committee Membership - Minute 953(f)

Mr M Rollinson reported that he had completed a lot of work on membership and discussed this with Mr P Holmes. He highlighted to the Committee this is a very important subject and goes further than the co-opted members on the committees. It covers the entire succession plan of the Board. We would want the co-opted members of the works committees to be prepared to step up and become Board members. Looking at the current structure of the Board, of the eleven elected members there are only five under 60 years of age, therefore we are currently in a good position. However, unless we do something now we will find it challenging in the future.

Mr M Rollinson continued stating we don't want to lose all the experience in one go but we do want a useful, vibrant Board and having read through the agenda today he had not realised that Board members are only insured up to 75 years of age. He asked of the five members over 75 years old, are they elected or Council members, the Chief Executive responded that they are split.

Mr M Rollinson suggested that we sound out the Board members who are probably nearing the end of their term on the Board to consider who they thought may be a successor, albeit an elected role, and are they a member of a works committee and if not do they want to recommend they are co-opted on to the works committee now.

He suggested that he, Mr P Holmes and the Chairman look at the Board areas and representatives in general on the works committees.

The Chairman stated he had originally said he would do 3 years as Chairman but now he is considering staying for 6 years. Mr P Holmes asked if he could clarify that if the Chairman remained on the Board for 6 years would he then leave the Board rather than step down. The Chairman stated that he would leave.

Mr P Holmes also believes the Board needs to plan for succession. The Chief Executive stated that our works committees, in respect of introducing new Board members, is envied by other IDBs and commended that through friendship new member interest has encouraged membership. But to remember that we have received some criticism regarding our electoral process and in response have stated in the April drainage brochure to aim to inform everyone when it is an election year.

Mr Rollinson stated to sum up; we don't need to make any immediate changes unless we need to contact poor attendees. The Chief Executive stated that this has been done in the past to remove members, however there is no rule within the terms for this action.

Mr Holmes then asked the Finance Manager for member's electoral wards, and requested to view which member represents which ward.

The Chairman then stated to the Chairmen's of the works committees that if they wanted to confirm new members of their respective committees to let himself, the Chief Executive and Finance Manager know before the next Board meeting.

The Chairman felt that we would still like to include guests at the works inspection meetings. The Chairman concluded that all the points raised are good and it is the right way to move forward.

The Chief Executive stated that as John Cooke from Towergate Insurance is attending the next Audit & Risk meeting we could get him to expand on the insurance issue regarding age. The Finance Manager presented a slide with details of a projected age for the next election to include a term of 3 years, which indicated that nine members of the current Board would be over 75 years of age by the end of the term. A member stated a premium would need to be requested from Towergate Insurance.

(b) The Bourne North Fen Farm Trust - Minute 957(c)

The Finance Manager presented the completed Client Service Review form from Brewin Dolphin which is included in the agenda papers for information, all details were agreed at the previous Executive meeting. The Finance Manager highlighted some items in red which will require amending. He also asked Brewin Dolphin to remove the Chief Executive and himself as executive members. The Finance Manager added that their role is an administration function with authority rather than having any say in what happens. This will be reissued for signature. The Chairman asked if members were happy with the document, all agreed.

(c) Wyberton United Charities - Minute 958

Cllr P Bedford asked if there had been a response from Mr J Chester. The Chief Executive responded that he had spoken with Mr Chester earlier that day, and overall they were not best pleased with the outcome. We have not received an application from the new owners because the sale is subject to planning and it is with Boston Borough Council Planning. Until planning is approved they won't buy the land, but once purchased then an application will be sent to request consent to reduce the byelaw from 9m to 6m.

(d) Appointment of Independent Person to review Senior Officer salaries - Minute 960

The Chairman stated he will be contacting Mr Pickering to make arrangements before the next Executive meeting in December 2016. He added that he is awaiting some collated information from Mr D Gowing.

995 TO RECEIVE A REPORT ON RATING - Agenda Item 5

The Finance Manager presented the Rating report;

1. Drainage Rate Account 2445

The Finance Manager stated there is an issue between the tenant and landlord whereby they disputed the date the property was going to be transferred over. In order to recover the majority of the monies the Chairman agreed only the current year's drainage rates would be recovered which left £254.81. This is above the limit of £250 that the Finance Manager can authorise. Therefore, the Chairman authorised to write off the sum of £254.81 in order to be minuted and presented to the Board.

2. Drainage Rate Account 2733

The Finance Manager stated that the current owner has requested a re-valuation because;

- (a) some of the glasshouses are no longer heated or have any irrigation system
- (b) some of the glasshouses are derelict

The Rating Officer has attended on site, there is a large section in the middle which is dangerous with glass falling.

The Finance Manager stated that it could be repaired and still be used as glasshouses however, the irrigation and heating is not there. The Rating Officer has reviewed the site and measured the correct sizes and put a valuation on the building as standard practices. This resulted in a recommended adjustment in the value from £26,995 to £20,059. Back dated to 1st April 2016 it will lead to a reduction in the drainage rates payable of £873.94.

The Finance Manager has further recommended that it can only be reduced further if the glass is actually removed so that it cannot be used as glasshouses anymore.

3. Drainage Rate Account 2781

The Finance Manager explained this account is for the Committees information. Reminder letters have been sent out and the Rating Officer has contacted them. The ratepayer has asked if they could pay by direct debit from now until end of March 2017 the Finance Manager said that would not be acceptable. We have agreed the terms as detailed in the agenda papers the aim being by the end of period 6 (September) they have paid half of what was due, he confirmed they have paid the August payment of £10,000.

The Finance Manager added that we will still get the liability order from the Magistrates Court but not serve it assuming the agreement is adhered to.

Mr M Rollinson asked if a direct debit arrangement could be charged with a percentage interest monthly. The Finance Manager responded that we do not offer direct debit service, and explained that the rate payer had offered to pay £100 per month of a £39,928.71 drainage rate bill. Which is why the discussions followed and the payment schedule agreement was arranged.

996 TO RECEIVE THE PERIOD 5 MANAGEMENT ACCOUNTS - Agenda Item 6

The Finance Manager presented the Period 5 management accounts highlighting the following;

- non-payment of the drainage rates as above reflects on the drainage rate income, hence why we are £28,000 behind were we would expect to be
- Schemes are to be looked at in next item
- Drain maintenance £74,993 over spent

The Chief Executive informed the Committee regarding the drain maintenance over spend, he has carried out a number of reviews with the Finance Manager and Operations Manager in order to arrive at quantifiable responses, these are listed below;

- we started our drain maintenance early in relation to our budget projections
- regards to budgets which really compared like for like budgets of last year we started early predominantly with our largest machine on the EA cutting last year which could have left ourselves in a predicament with some of the vegetation in our own watercourses

- this year we have spun it around, we have cut our own watercourses first to the point where we are 6 weeks in front of our programme (Hitachi long reach works) and at the beginning of July we had cut five times more of our own watercourses than we had last year and we are confident we are going to arrive at or just under budget
- the Chief Executive and the Finance Manager will be looking at the forthcoming management accounts very closely
- closer operational expenditure controls are being implemented by the Operations Manager
- the summer cutting expenditure also includes all the hand roding where we are on programme

Mr P Holmes asked because we went out early will this now involve a second cut; the Chief Executive responded; we have some money in the budget for second cuts but I am reliably informed that we don't think we will need to as we have completed additional flailing works on our early season high priority watercourses. We can only continue to monitor growth and assess remaining budget.

Mr Rollinson asked if there is any additional hire cost associated with the Twiga being out of service and having to hire in a machine; the Chief Executive responded that it is challenging us to ask new questions which I put to the Chairman and the Finance Officer earlier this morning, we recover our own plant at a charge out rate of £45.00 per hour; Irelands have just sold Witham 4th Energreen, we could have hired that machine in at £1,400 a week and worked single shifts at £36.00 per hour or possibly double shifted the machine for a far lower rate. Therefore, we would have been saving money hiring one in instead of a c£200k capital purchase of our own machine with possible expenditure on break downs and other works.

Mr Holmes asked if they are available to hire; the Chief Executive stated they are generally not available for hire, at the moment we have hired a conventional flail machine to cover the Twiga which is off the road; for those members that did not know our latest Twiga tipped over into a drain a couple of weeks ago, nobody was in it at the time and it is currently going through an insurance claim.

997 TO REVIEW THE CAPITAL SCHEMES BUDGETS 2016/17 - Agenda Item 7

The Chief Executive presented a summary of the three capital schemes on page 20, two of the schemes being FDGiA funded schemes, we cannot apply for any additional funding as we have been allocated our full 100% allocation. The third scheme is for the completion of Leaveslake Drove and this is an operational issue, he stated the Finance Manager had not been informed to carry the funding monies over from last year to this year's accounts and this has caused an over spend, with an additional spend on two culverts of £10,587.

The Chief Executive requested the highlighted figures be taken out of the reserve account in order to balance the accounts for this year

The Chairman asked the Committee if there were happy with this, all agreed.

The Chief Executive reported receiving this letter from Boston Borough Council which in turn developed into a meeting called by and held at East Lindsey's District Council Offices at which the Chairman, Chief Executive and Cllr Bedford attended along with other affected Drainage Boards.

The Chief Executive stated we have been invited to review the Boards 10 year financial projections with a view to attending a further meeting in January 2017 to hopefully offer a zero percent increase for the next two financial years.

The Finance Manager put this scenario into a spreadsheet; 0% increase in 2017/18 and 2018/19 without changing any other figures which have previously been agreed by the Executive Committee. By the year 2020 and beyond we fall below our recommended or preferred status of around 20% balance of reserves in relation to our expenditure, so the simple scenario of two years at zero percent at our current spending profile does not meet our recommended balance reserves.

The Chief Executive then added that he had adjusted the spreadsheet and by maintaining our current capital spend and reducing our year on year annual increase from 2% to 1.5% we maintain our 20% reserve level. The Chief Executive suggested he and the Finance Manager review this further with a view to circulate via email in order to have something in place before the next Executive meeting to recommend to the Board in February.

Cllr Brookes asked are we looking to reduce expenditure somehow to compensate; the Chief Executive responded yes he then added that his only concern would be if in the January 2017 meeting with the Councils our Board offer the 0% but other Board seek an increase.

Cllr Bedford added that it is up to the IDBs to have that conversation and the Chief Executive agreed that they will be having that discussion.

The Chairman added, we came away from the meeting thinking that to be fair to Boston Borough Council we need to find a way of offering no increase for two years. We felt that it was going to be too difficult to offer more without having to make really serious decisions on how we operate the Board.

The Chairman wants to set an example and trust that other Boards will do the same, Cllr Bedford stated in two years we could be on a 100% business rate retention as opposed to what we get at the minute, but we will be a net loser in Boston under 100% business rates because of the farming community. That is not going to alter a great deal but if we can deliver the devolution bill for the whole of Greater Lincolnshire and then pool all business rates there will be net gains from Grimsby, Immingham etc. They have got a lot of industry, docks etc. if that can be pooled and levelled out then that will probably be the answer.

The Finance Manager raised concern based on experience when we first started on these austerity measures Black Sluice was very proactive and we held our rate for two years before any of the other IDBs did, which in turn became four years compared to other boards two years, we need to be aware that if we are going to go down the same route again to make sure that we are all doing the same thing and not just Black Sluice saying we have held ours at zero percent for two years we need to put it up now.

The Chairman concluded that we need to work with our council partners and find a way forward.

999 TO REVIEW DIRECTION ON 2017/18 BUDGETS - Agenda Item 9

The Finance Manager presented the 10 year budget estimates on page 23 with a 0% increase for two years, this highlighted the problems previously discussed regarding the reserve levels from 2020/21. He confirmed as previously stated he would communicate to the Committee with a revised budget forecast including some minor adjustments to recommend to the Board for approval.

The Chairman asked Cllr Bedford if this will help, he responded yes and the Chairman clarified that the Black Sluice should not be doing this on their own and Cllr Bedford agreed.

1000 REVIEW OF PURCHASES, UPGRADES & CONTRACT RENEWALS - Agenda Item 10

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.

1001 REVIEW OF SALARIES - Agenda Item 11

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.

1002 ANY OTHER BUSINESS - Agenda Item 12

(a) Haconby Diesel Engine

The Chief Executive stated this is for minute information, it was sent in an email to the Committee and it was agreed, the engine will remain where it is and who knows the possibilities and potential in the future.

(b) Insurance cover for Board Members over 75 years

The Chairman stated that some of this has already been discussed, it will be brought to the next Audit & Risk Committee meeting. Mr Rollinson and Mr Holmes asked what the insurance actually covered; the Finance Manager responded that if you are on an inspection and fell down a drain bank and broke your leg it would cover costs relating to that, it includes medical cover, time off work cover, up to set limits which are about half what they are for full time employees, the Finance Manager added that more details can be given if requested.

(c) Pumping Station Groundsman

The Chairman pointed out how surprising it was to see how much is spent with outside contractors, the Chief Executive presented this item and stated that this proposed position would be line managed by Kevin Methley.

We currently employ two contractors who attend all 34 of our pumping stations and maintain them i.e. grass, hedge and tree cutting, spraying and general tidying, additionally we use other contractors to replace roof tiles, bricks, glass panes, fencing, painting fencing.

We have realised after carrying out a full evaluation that the Board is spending up to £33,000 on general pumping station maintenance.

The Finance Manager and Chief Executive have calculated the cost to include a used 4x4 vehicle, ride on mower/trailer and using other equipment which we currently hold, if we get someone suitably qualified in chainsaw, spraying equipment etc that will cost us £31,000 therefore it is cost beneficial.

The Chief Executive added that unfortunately it would be the end of the Boston Borough Council contracts. Cllr Brookes and Cllr Bedford declared an interest regarding the Boston Borough Council contracted works.

The Chairman asked the Committee if they were in agreement, all agreed.

(d) External Audit Report

The Finance Manager stated the external audit report has been returned from Grant Thornton with no comments and signed. The Committee congratulated the Officers.

(e) ADA Conference

The Finance Manager asked those members attending the ADA Conference, to agree their travel from Peterborough train station. The Chairman asked members if there were prepared to pay the balance to travel first class – all agreed.

The Chief Executive will be attending the ADA executive meeting on the previous day.

(f) Triton Knoll

The Chief Executive made members aware that the Triton Knoll project has gained approval. The three IDBs which are involved with Triton Knoll, are ourselves, Witham 4th and Lindsey Marsh and we believe it is now time to employ a full time project manager on behalf of these IDBs. It will be reiterated and agreed in writing that all the cost associated with that individual will be reimbursed by Triton Knoll.

The Chief Executive asked the Committee to agree to the implementation of employing a full time project manager for the Triton Knoll project with the agreement that Triton Knoll will reimburse all costs associated with that full time role. The Witham 4th believe they are aware of two individuals who will be able to take on this role immediately. The Committee agreed.

(g) Boards Bungalow

The Chief Executive stated some time ago the Board approved a £3,000 budget for the Boards bungalow driveway repairs.

The tenant contacted the Chief Executive and asked a number of questions regarding security and also reintroduced the subject of the driveway. The Chief Executive stated that the Officers would re-investigate the quotation process for these works.

He added that if he remembered correctly some concrete blocks from Boston Borough Council were going to be made available free of charge but this did not materialise therefore the works did not go ahead; the costs will now include additional material costs.

The Chief Executive asked if he could send out the revised costs to the members by email and confirm the expenditure. The Committee agreed.

There being no further business the meeting closed at 3:55pm.

