

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of a meeting of the Executive Committee

held at the Offices of the Board on
21st October 2015 at 11am

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)

828 **APOLOGIES FOR ABSENCE**

There were no apologies for absence.

829 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

830 **MINUTES OF THE LAST MEETING**

Minutes of the last meeting held on 3rd June 2015, copies of which had been circulated, were considered and it was agreed that they should be signed as a true record.

831 **MATTERS ARISING**

(a) **EA Asset Transfer - Minute No 755(c)**

Mr Leggott asked if there had been any progress engaging Matt Warman MP. The Chief Executive informed the Committee that he had visited the Board and was particularly interested in two items in his area in relation to drainage boards and these were the Steeping River project and the Black Sluice catchment works asset transfer proposals. He has requested that we keep him informed with the progress and if we felt we could use him for anything to contact him.

(b) **Unaudited Financial Statements - Minute No 756**

The Finance Manager informed the Committee that there had been a mistake on the notes to the Revenue account on the Un-audited financial statements that had been discovered by a Councillor from South Kesteven District Council. This related to the Special Levy for South Kesteven District Council and North Kesteven District Council being recorded the wrong way round. This has been corrected on the website.

831 (b) Cont.....

The South Kesteven figures have now been reconciled back to the 1993 revaluation.

(c) New Members Induction Day - Minute No 763(c)

The Chief Executive informed the Committee that a Members Induction had been conducted on 29th July but some new members couldn't make that date.

As we also have a new elected member joining the Board on 1st November it was suggested that a New Member Induction and Members Refresher Training session could be held before the Board meeting on 4th November with a buffet lunch being provided in between.

The Committee thought this was a good idea and asked the Officers to make the arrangements.

(d) Election - Minute No 763(d)

The Finance Manager informed the Committee that the results of the election had been published and the new Board would be formed with one new member, Nicholas Scott is District B replacing Mr M J Scott on 1st November.

832 TO RECEIVE THE PERIOD 6 MANAGEMENT ACCOUNTS & FORECAST - Agenda Item 4

The Finance Manager presented the Period 6 management accounts and forecast highlighting the following;

- Rates and Levies were being collected as expected and at the time of the meeting there were only twelve ratepayers remaining on the court list.
- Schemes were progressing as expected and should be within budgets at year end. There is an additional claim to be submitted to the Environment Agency for the Wyberton catchment improvement scheme resulting from the Tidal Surge breach in December 2013.
- Pumping Station Maintenance is within budgets helped substantially by the savings in the insurance premium as included at agenda item 7.
- Drain Maintenance is showing very favourable as a substantial amount of Grant work was completed at the beginning of the year whilst we also had two members of staff off work on long term sick. It is expected this will be rectified following the cutting season now we are back to almost full strength staff wise.
- Administration and Establishment is over spent compared to budget due to the £23,500 additional business rates that have had to be paid to Boston Borough Council this year and a timing issue with equipment purchases.
- Overall the Boards position is favourable compared to budget due to the Rechargeable profit included.

- The Finance Manager drew particular attention to the amount of funds currently held in the Natwest Reserve Account at £1,270,944 and the higher than expected general reserves contributed to at greater than expected levels from the 2014/15 accounts.

The Committee reviewed the second quarter forecast and noted that the Rechargeable profit and additional Business Rates charges were the two items impacting on the expected outcome at year end resulting in a £44,636 surplus.

833 TO CONSIDER THE FIRST DRAFT OF THE 10 YEAR ESTIMATES - Agenda Item 5

The Chairman noted that the forecast figures discussed at Agenda Item 4 had been used to produce the first draft of the ten year estimates.

The Committee noted that the levels of reserves were substantially higher than they would have liked but acknowledged that this was primarily due to the excess surplus in the previous year due to the additional works required following the tidal surge funded by the Environment Agency.

The Finance Manager explained that at this stage the figures included were using the increases in the penny rate agreed when the current year's rate was sealed with an inflationary increase of 2%. This draft is produced to give the Committee an overview to issue guidance to the Board's Officers as to how they want to develop the next year's budget.

The budget will be developed over the coming months with a more detailed proposal presented at the next meeting of the committee.

834 TO CONSIDER THE 8 YEAR PLANT ESTIMATES - Agenda Item 6

The Chief Executive presented the eight year plant account estimates and for 2016/17 was proposing the purchase of a 3rd Twiga/Energreen machine to replace the John Deere. With a commitment from the Environment Agency that they will continue to contract to us the current maintenance on main rivers for next year, and a favourable indication for future years, it is felt that this would be a sustainable purchase. The number of machines could then be reviewed when the first Energreen was due for replacement in 4 years time.

The amount generated for the current year and the next two have been increased from £120,000 to £145,000 to account for this increase which reflects where the plant account is currently compared to last year with an additional 10 hours overtime being completed by the workmen each week.

Mr Leggott asked if we were happy with the reliability of the current Energreen/Twiga machines and the Chief Executive explained that there is currently an issue with the bracket of the new Twiga that holds the arm when it travels down the road cracking but this is a known issue and is being repaired under warranty.

834 Cont.....

The Chief Executive further informed the Committee that it is intended to replace the JCB 220 like for like next year and the Committee noted that this appeared to be good value compared to the other machines. It was explained that this is due to no modifications being required to this machine as the smaller excavators have telescopic arms fitted to make them suitable for cutting works.

835 TO CONSIDER THE BOARD'S INSURANCE ARRANGEMENTS - Agenda Item 7

The Finance Manager explained to the Committee that details of the Board's insurance had been emailed to the Committee whilst negotiations were taking place and the change of supplier to Towergate Insurance Brokers was approved by email. The Audit and Risk Committee had also discussed the proposal as negotiations were taking place as a restricted agenda item.

Details of the negotiated premium was presented in the agenda papers and the Finance Manager explained that as the motor policy proposal was late being received due to the change of broker he had taken the decision to continue with fully comprehensive cover hours before the renewal was due. The other option was to insure as a motor policy third party and then insure the plant, machinery and vehicles on a separate Contractors Plant Insurance. The savings would have been substantial in the region of £2,500 but it did not sit comfortably and considering the additional hassle of making two claims for any incident, and the additional excesses for windscreens it seemed better to stay on a fully comprehensive basis. This could be reviewed for the 30th September 2016 renewal.

The Chief Executive informed the Committee that we were currently using a Structural Engineer to review the structures of the Pumping Stations for possible future replacement requirements in mind.

836 TO CONSIDER UPDATE ON EA BLACK SLUICE CATCHMENT PUBLIC CONSULTATION - Agenda Item 8

The Chief Executive informed the Committee on the progress of the Black Sluice Catchment Consultation and that the Environment Agency are still receiving responses even though the consultation is closed.

The Chief Executive has had the privilege of reviewing the responses and they are generally all supportive of the Board's preferred options for the Black Sluice Pumping Station, Lower and Upper catchments.

The Chief Executive, Operations Manager and Vice-Chairman hosted a meeting last week with representatives from the Environment Agency and Lincolnshire County Council to discuss how we would progress in the Black Sluice Catchment in the future. From the meeting there was a belief from the Environment Agency and Lincolnshire County Council that there are funding opportunities that could be explored from an agricultural point of view and both parties offered to assist the Board in applying for this funding.

On a more disappointing note was that only £30 million to £35 million worth of benefits were currently available in the Black Sluice Lower Catchment for the next fifty years.

Deborah Campbell of the Environment Agency and the Chief Executive have been tasked with producing a positive statement to be presented at the December LCC Scrutiny Committee meeting and the RFCC meeting next week that both the Chief Executive and Finance Manager will be attending.

It is a possibility, and portrayed to the people present at the meeting as the Board's preferred option, that under the Public Sector Cooperation Agreement that the Board continue to maintain the entire Main River system in the Black Sluice Catchment and the EA are also considering if this could include the Black Sluice Pumping Station transferring their Pumping Station Engineer over to the Board.

The Chairman feels that we are in a good positive position now compared to the initial position that the Environment Agency were just going to walk away from the Black Sluice Pumping Station.

The Chief Executive informed the Committee that funds have now been secured to commence the full survey of the South Forty Foot Drain.

837 REVIEW OF SALARIES - Agenda Item 9

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.

838 ANY OTHER BUSINESS - Agenda Item 10

(a) Lincolnshire Resilience Forum Information Sharing Agreement

The Finance Manager informed the Committee of a document received from the Lincolnshire Resilience forum that was to formalise the current data sharing agreements. This was for emergency and emergency planning purposes and would be signed on behalf of Lincolnshire Drainage Boards by the Chairman and Secretary of the Lincolnshire ADA Branch.

(b) Swineshead Development

The Chief Executive gave a brief overview of a planning application that was being progressed on land adjacent to the Boards Offices and Depot.

(c) Solar Panels

The Finance Manager informed the Committee that he had been investigating the possibility of installing solar panels on our pumping stations as directed at the last Board meeting.

In addition to the three suggested stations he has also looked into all the three pump pumping stations, except Ewerby as it is smaller, and four of the larger 2 pump stations. Based on initial ambitious indications, assuming 3 pump stations could take a 10kw system and 2 pump stations a 4kw system an initial capital outlay of £124,000 would be required with an estimated return period of 8.2 years to complete all twelve sites. Over the 20 year period that the FIT payments would be made, this would equate to an estimated 13.75% annual return rate. Compared to the current rate of 1.25% we are recovering on our £300,000 investment with Monmouthshire Building Society this is clearly going to produce substantially more income for the Board over the long term.

The Committee felt that this was a positive proposal and instructed the Finance Manager to finalise the proposals to present to the Board on 4th November for approval as the installations would have to be complete and registered by 31st December 2015 when the FIT rate substantially reduces and would make the installation unviable.

(d) ADA National Subscriptions

The Chief Executive informed the Committee that it is the intention of National ADA to increase subscriptions by 5% next year. The Committee felt that the subscriptions paid to ADA are good value for money and beneficial to the Board.

(e) Personnel Matters

The Chief Executive informed the Committee that we have recently taken on four new employees in the workforce and they were all performing well with three of them on flail mowers.

There being no further business the meeting closed at 12:45pm