

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of a meeting of the Executive Committee

held at the Offices of the Board on
27th January 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)

876 APOLOGIES FOR ABSENCE

There were no apologies.

877 MINUTES OF THE LAST MEETING

Minutes of the last meeting held on 15th December 2015, copies of which had been circulated, were considered and it was agreed that they should be signed as a true record.

878 MATTERS ARISING

(a) Solar Panels - Minute No 870(c)

The Finance Manager reported that all the solar panels have been installed except Great Hale which will be installed once the new roof has been completed.

The solar panel budget forecast is detailed in the agenda papers. Mr Holmes asked if these figures were using the government's calculator. The Finance Manager responded that the forecast figures were using the government's calculator with an adjustment for actual income and maintenance to date for Swineshead pumping station and the office.

(b) Workforce - Minute No 875(f)

The Chief Executive stated that this report will be brought to the Executive meeting on 18th May 2016.

879 TO CONSIDER THE PERIOD 9 MANAGEMENT ACCOUNTS & FORECAST
- Agenda Item 4

The Finance Manager presented the period 9 management accounts and highlighted the following items:

- Debtors on the balance sheet refer to EA FDGiA £93,000 for Wyberton flood defence (£27,000 bought forward from 2014/15) and South Kesteven District Council (SKDC) maintenance £17,500.
- Investment of cash, the Finance Manager looked into alternative avenues all on the FCA register;
 - Aldermore Building Society 1.10% instant access, 1.25% 6 months, 1.90% 12 months
 - Nationwide Building Society 1.2% 12 months
 - Cooperative Bank 1.12% 12 months
- On track to collect all rates due, one case remaining at court on 7th March 2016 as reported at the Board meeting on 4th November 2015.
- Drain maintenance grant income will be spent before 31st March 2016 on graft drain scheme.
- Once tools and plant have been purchased rechargeable profit expected to reduce.
- Solar panel income and expenses are detailed in a spreadsheet as agreed. Great Hale due to delay will not be included in the higher FIT tariff.
- Included in the Administration and Establishment are the business rates arrears of £23,500.

The Executive Committee discussed the investment of surpluses to maximise any available interest income and RESOLVED to continue with the Monmouthshire Building Society on a 30 day access account and a further deposit of £300,000 with Cooperative Bank at 1.12% for 12 months. Aldermore was discounted as other companies in the group were not FCA regulated and we had tried investing with Nationwide in the past but they required 13 board members proof of ID.

The Finance Manager reported that he was still accruing electricity charges in pumping station maintenance due to the change over from Opus Energy to British Gas. Opus had installed smart meters at all of the pumping stations and British Gas had been experiencing problems transferring the meters to them. It has taken some time to sort out these bills and a further four pumping stations are still not receiving correct bills. This has caused a large amount of administrative time in processing hundreds of bills and credit notes. It was also highlighted that if an event had occurred at which higher energy use was required it would have been impossible to estimate the bills for inclusion in the Boards accounts.

The Executive Committee requested that the Finance Manager make a complaint to British Gas detailing the problems encountered.

The Finance Manager explained that the recommendations for the budget have been produced based on the decision from the Executive Committee meeting on the 15th December 2015 that the penny rate be increased to 12.60p.

- **Penny Rate** - At a rate of 12.60p in the £ the projected estimated drainage rate income is £1,040,880 in 2016/17. The special levies for the councils are detailed below, all councils will be informed after the rate has been sealed at the Board meeting on 12th February 2016;

	<u>2015/16</u>	<u>2016/17</u>	<u>Increase</u>	
Boston Borough Council	£747,294	£754,591	£7,297	0.98%
South Holland District Council	£123,837	£125,930	£2,093	1.69%
South Kesteven District Council	£57,466	£58,018	£552	0.96%
North Kesteven District Council	£59,643	£60,514	£871	1.46%
	<u>£988,240</u>	<u>£999,053</u>	<u>£10,813</u>	<u>1.09%</u>

- **Investment interest** - Interest has been estimated at £5,000 for the year based on previous years.
- **Grants** - £204,000 Flood Defence Grant in Aid has been included and offset against capital works in 2016/17.
- **Development Fund** – No planned expenditure and a £5,000 administrative charge has been included.
- **Rental Income** - The Finance Manager stated that the EA have now moved out of the depot. Mr Holmes asked if the space could be utilised by another tenant. The Chief Executive responded that the proposal, in the future, was to add an additional gate and driveway enabling HGVs to exit through a one way system as turning around in the yard could be challenging.
- **Pumping Station Maintenance** - The budget has been maintained at £370,000 with 2% inflationary increases in the remaining estimates.
- **Drain Maintenance** - £700,000 has been included in the 2016/17 budget £400,000 for the summer cutting operations and £300,000 for the rest of the year on cleansing works.

The Chief Executive stated that they are looking at a structured programme of works for jetting and CCTV by a specialist firm which has been included at £15,000 per year in 2016/17 and 2017/18 with a rolling programme package secured for a number of weeks between both years.

- **Environmental Works** - The budget has been maintained at £30,000 for 2016/17.
- **EA Precept** – The Chief Executive attended the Regional Flood and Coastal Committee meeting. The Committee agreed to a zero per cent increase for 2016/17 (the rate has not been increased since 2009/10) but there may be a possibility of an increase in 2017/18.

- **Administration & Establishment**

- The Finance Manager stated that there is an increased cost in the admin budget of £6,000 for the additional payment of the superannuation deficit. The tri- annual valuation of the pension fund is due this year to set rates from 1st April 2017.
 - Due to changes in the State Pension the “contracted out” rate will cease from 6th April 2016. The employers NI rate will increase from 10.4% to 13.8% which will result in an additional cost of £16,000.
 - The Lincolnshire ADA Pay Advisory Committee has not yet confirmed the 2015/16 pay award. The Union believes that IDBs are not public sector funded and therefore are not restricted by the imposed 1%.
 - The Finance Manager highlighted the change of collection times by Royal Mail which has resulted in having to pay for a collection service which costs approximately £800pa.
 - The new virtual server back ups are encrypted with a 256 bit encryption. The Finance Manager informed the Committee that the main server due to its type cannot be encrypted therefore the main server will be retired with the email function moved to the cloud and the remaining services and data being moved to the virtual servers.
 - The mapping system has not been upgraded or supported for approximately 6 years. Mapping is essential and integral to how we operate as a Board. A half price offer on the new version of Arc Map to include 7 licences will cost £5,768 with any new upgrades and support included for an annual fee of £2,408.
- **Wages On-Cost** - recharge rate maintained at 230% to maintain the reserve as low a positive balance as possible. The training budget has been inflated to levels in previous years as the low figure this year is falsely low due to time constraints.

The Finance Manager presented the Solar Panel Budget 2016/17 using the FIT tariffs and government calculator. This shows a long term return of 14.68%.

The Committee RESOLVED to recommend the 2016/17 budget to the Board.

881 TO CONSIDER THE PROPOSALS FOR THE PLANT ACCOUNT 2016/17 & EIGHT YEAR ESTIMATES AMENDMENTS - Agenda Item 6

The Chief Executive presented to the Committee proposals for the Plant account;

Twiga SPV2 - Witham Oil are producing biodegradable oil for a lower cost, this oil will be phased into all new and existing machines.

Mr Holmes asked could the environmental biodegradable oil be purchased using the environmental funds?

Hitachi ZX 210LC-5B v JCB JS-220LR - The two machines are comparable in dimensions and weights with a slightly larger fuel tank on the Hitachi. However there is a significant difference in the bucket digging force with the Hitachi being 46% greater than the JCB. The total cost difference is £7,650 with the Hitachi being the greater but due to the lower parts costs, lower servicing costs (once out of the 3 year warranty) and the significant difference in the higher residual value the Hitachi machine is being proposed to be purchased. The previous Hitachi machine the Board operated is testament to the above.

Disposal John Deere and JCB 220 – These machines have been kept one year longer than planned and it is recommended that they are sold as soon as possible or part exchanged with their respective dealers.

The Chief Executive recommends the balance is taken from the General Reserve at the end of the year and this is a worst case scenario if the plant is not recovered through recharges.

The Committee AGREED to the recommendation presented for the plant purchases 2016/17 in conjunction with the Eight Year Plant Plan agreed by the Executive Committee on 21st October 2015.

882 TO CONSIDER THE DEVELOPMENT CONSENT FEE ACCOUNT - Agenda Item 7

The Chief Executive asked the Committee for any suggestions for improving areas where developments have paid into this account. The Committee agreed to recommend that the £5,000 administration fund be maintained.

883 TO CONSIDER ESTIMATES FOR BOURNE FEN FARM ACCOUNT - Agenda Item 8

The Finance Manager presented his report which included an estimated value of the investments and cash for 2016/17. Brewin Dolphin valuation is very conservative and they try to maintain the investment at a similar level with a wide spread of shares and bonds.

The Committee RESOLVED that the rate alleviation for 2016/17 should be the same rate as 2015/16, which is 2.4p in the £.

884 TO RECEIVE A VERBAL UPDATE ON EA BLACK SLUICE PUBLIC CONSULTATION - Agenda Item 9

The Chief Executive stated that he had recently attended the Anglian Regional Flood & Coastal Committee (RFCC) at which the Environment Agency presented their consultation document which was well received.

The EA have sent a letter to land owners who attended the consultation process and he recommended that this letter be included with the rating brochure due to go out in April 2016.

The EA consultation document which arrived today is extensive and a full review has yet to be made. From his initial reading of the document,

- Full survey to identify raised bank low points, slit levels and defects on South Forty Foot Drain
- Funding available to raise low banks along the South Forty Foot Drain
- Historically maintenance has not been carried out, and they plan to catch up with this work
- Four employees are due to be trained to operate the Black Sluice pumping station pumps in conjunction with the Environment Agency

885 TO RECEIVE A VERBAL UPDATE ON BLACK SLUICE CATCHMENT STEERING GROUP - Agenda Item 10

The steering group has now been set up and Cllr Bedford has agreed to join as the representative from the Boston Borough Council. The first meeting is next week here at the Black Sluice offices. In the future the group could extend to incorporate other bodies ie Anglian Water, Network Rail.

This is a pilot scheme with a 2 year target to raise funds for the catchment. ADA, and the rest of the IDB community are watching with interest to see how it progresses.

886 REVIEW OF 2016 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.

887 ANY OTHER BUSINESS - Agenda Item 12

(a) Boston Barrier

The Chief Executive reported that the Boston Barrier tidal project non – technical summary, environmental statement and technical reports have been released for consultation with any comments to be returned by 24th February 2016.

(b) Rating Brochure

The Chief Executive handed out a copy of last year's rating brochure asking the Committee for their ideas on what should be included this year. The Committee stated that it was a very good public relations forum for the Board. Suggestions included; screen shot of payment page from the website, EA consultation.

The Chief Executive left the meeting at this point.

(c) Chief Executive – Essential User Allowance

The Chief Executive has requested a review of his essential user allowance level that he is paid currently £2,147.

The Finance Manager outlined the historical essential user allowance system which was reviewed by the Pay and Advisory Committee and the rate was re-negotiated and divided into four bands and measures put in place to reduce the workforce's payments until the required band was reached.

The Committee discussed the request including that;

- The Chief Executive visits sites and pumping stations with access not suitable for cars. A vehicle with higher clearance and 4x4 capabilities is required.
- The Chief Executive job is largely relating to the operational side of the Board.

The Executive Committee RESOLVED to increase the Chief Executive's essential user allowance to the top of band D currently £3,900.

(d) Works Committee Inspections

The Chairman and Vice Chairman are invited to attend both of the Works Committee Inspections and the Chairman stated that it would be beneficial if all the Executive Committee members attended these inspections.

The Executive Committee AGREED and asked the Officer's to organise invitations.

There being no further business the meeting closed at 4:25pm.