

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of a meeting of the Executive Committee

held at the Offices of the Board on
24th May 2017 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)
Mr P Nicholson (Operations Manager)

The Chairman welcomed the Operations Manager to his first meeting with the Executive Committee. The Chief Executive added he has requested the Operations Manager attendance because of the confidential paper later in the meeting in order for Members to be able to ask any questions.

1120 APOLOGIES FOR ABSENCE - Agenda Item 1

Apologies were received from Mr M Rollinson.

1121 DECLARATIONS OF INTEREST - Agenda Item 2

There were no Declarations of Interest.

1122 MINUTES OF THE LAST MEETING - Agenda Item 3

Minutes of the last meeting held on 14th December 2016, copies of which had been circulated, were considered and it was agreed that they should be signed as a true record.

1123 MATTERS ARISING - Agenda Item 4

a) Works Committee Membership - Minute 1057(a)

The Chairman commented on the membership of the Works Committees, which has been reviewed. Mr Barker has asked if there is going to be a Board Inspection. The Chairman believes this has been superseded by the full day style inspection tours for each of the Northern and Southern Works Committees. He is conscious that invitations to these inspection tours should include anyone from the local farming community or ratepayers who have an interest in the Board. Mr Holmes responded that over the years the inspection tours have included rate paying farmers to encourage them not only by showing them how things are done but also by looking to the future with succession to see whether they are interested in joining the Board.

The Chairman added that with the two open days in July at the South Forty Foot Drain silt pumping, which will be open to all Board Members participation, which in his view negates the need for a full Board Inspection.

b) Period 8 Management Accounts - Minute 1058

Mr Fowler asked if anything further had been considered regarding moving banks. The Finance Manager responded he has not progressed this any further. Mr Fowler added regarding the difficulty in paying in cheques. The Finance Manager responded that this has been resolved; we can pay cheques into the Post Office, which they then forward to Natwest.

c) Equipment Sophos Intercept X - Minute 1059(q)

The Finance Manager stated that at the Audit & Risk Committee meeting following the Wanna Crypto virus that affected the NHS, it was agreed that some training will be put in place as well as some testing of this training. The Committee have recommended installation of the more advanced anti-virus and the Sophos Intercept X system and will not be progressing with the insurance cover.

1124 TO CONSIDER PERIOD 12 MANAGEMENT ACCOUNTS - Agenda Item 5

The Finance Manager stated last year by putting the Period 11 management accounts in it allowed a way of comparing actual to budget against forecast for the previous year. He stated this gives us more information rather than just a set of accounts without any comparison. He added that the Executive Members are sent these in this format at the beginning of each month to review.

He then went on to highlight the following;

- a) Surplus of £30,152 the budget surplus was £5,816.
- b) On a £2.1 million turnover, he believed coming in at this level is credit to the budget setting process and the way the Boards monitoring works as a whole. Action is taken if required after monitoring of the budgets when things do not come in as they have been planned.
- c) The figures within page 20 feed into the annual accounts and annual return.

The Chairman asked if Members were happy with the management accounts this format is very reassuring, he then thanked the Finance Manager.

1125 TO RECEIVE THE 2016/17 UNAUDITED FINANCIAL STATEMENTS - Agenda Item 6

The Finance Manager stated the figures just reviewed feed into the unaudited financial statements, which will be presented at the next Board meeting. The financial statements will be presented in a strict order. The Finance Manager stated he would go through the annual governance statement to ensure this is completed and signed. The Board will agree the statement of responsibilities before the financial statements - income & expenditure account and balance sheet. He concluded these are the accounts, which will be presented to the Board meeting.

The Chairman clarified the question regarding the Environmental Agency monies for the SFFD scheme works are in rechargeable works.

The Finance Manager responded that the monies already paid are in the accounts and anything left over has been transferred into this year, as it is ongoing.

The Chairman asked if there were any questions and asked Members for approval to recommend the unaudited financial statements to the Board. All AGREED.

1126 TO RECEIVE THE ANNUAL RETURN FOR YEAR ENDED 31ST MARCH 2017 - Agenda Item 7

The Finance Manager reported these figures are taken from the unaudited financial statements and disseminated into ten sections on page 25. This document is from ISS. It is the same for all public sector councils etc.

1127 TO RECEIVE THE ANNUAL INTERNAL AUDIT REPORT - Agenda Item 8

The Chairman presented the Internal Audit Report on pages 29 to 37. Cllr Brookes added that the Audit & Risk Committee made it clear to Mr Gowing how disappointed they were to receive "adequate assurance" and it was only one item, which had placed the Board in this position. Mr Gowing assured the Committee that it would obtain substantial assurance next year.

Cllr Brookes stated that Mr Gowing also had issue with the discretionary payment. Mr Fowler asked if there was clarification from the HM Treasury the Finance Manager showed the letter received on the screen for Members to review which states they do not set local government pay, the Chief Executive agreed with the Finance Manager they both interpret the view the same.

1128 TO CONSIDER THE BOARDS INVESTMENT STRATEGY - Agenda Item 9

The Chairman explained that reserve funds have previously been invested in savings Banks or Building Societies, which currently are not giving a return on the Boards investments. He invited opinions from Members regarding considering an alternative investment ie Brewin Dolphin.

The Finance Manager stated that the Investment Strategy Policy currently states; "for prudent management of surplus balances, the Board can invest in Banks, Building Societies, local authorities or other public authorities. Deposits in securities, which are guaranteed by the Government".

The Finance Manager stated if Members considered investment with Brewin Dolphin it would require a change in the policy. The Committee could recommend this but the Finance Manager raised concern that due to the fluctuations in capital whether it would be prudent to do this. He pointed out the balance sheet for the Bourne Fen Farm Trust on page 42 showing balances going from £322,796 to £363,377 in 2017. The Finance Manager then asked what would opinion be if the investment had gone the other way and lost capital. The Investment Strategy Policy as it is written now safeguards the Boards capital and does not currently give a great income on £300,000 but if that cash reserve is required to balance cash flow, it is available to do so.

Cllr Brookes agreed with the Finance Manager he would not want the Board to be in a position where the cash reserve is needed and the capital had been reduced.

The Chairman asked Members if they wanted to leave the Investment Strategy policy, as is which would mean very little interest on cash reserve would be achievable.

The Chief Executive reminded the Committee that they had taken the decision to take the lower risk approach on that income which is rightly so.

Mr Holmes asked is there any reason not to, split it say lock £200,000 low risk low interest and invest stock market with £100,000.

Mr Fowler stated that good governance says if there is an end use for that cash reserve and a specific date, it should be invested in a low risk where the capital is not depreciated. If the Board were in the fortunate position that they could lock cash reserves for 5/10 years as long as it was definitely not required, then say managed in the same way as the equities are with Brewin Dolphin. He concluded that regarding risking capital, which is required to be used at some future date, relatively short term, Mr Fowler believes the Board should not be high risk at all.

The Finance Manager stated current revenue reserve is £910,000, he is currently using £245,000. He explained that due to the system of approvals which the Environment Agency have to obtain funding in order to pay the Boards invoice this could take two months before the invoice is paid. He believes that in a further two months the sum could have increased to £500,000. Realistically the Board would not have the reserves if the Board were confident that we did not in some cases have to use it. He stated the Board could run at much lower reserves if we were not in the volatile situation where one month of continuous pumping and the electric bill is £80,000.

The Chairman and Members of the Committee agreed to leave the Investment Strategy Policy with no amendments.

1129 TO APPROVE THE ACCOUNTS FOR THE BOURNE FEN FARM - Agenda Item 10

The Finance Manager presented the accounts for the Bourne Fen Farm Trust stating income derived from this has improved from the previous year. He explained this is down to James Scott (Brewin Dolphin) and the work he has done to balance out the portfolio via a managed fund, as this Committee had instructed him to do. Therefore, there has been an increase in charges within this; also, there is an increase in income and a slight surplus, which has been used to alleviate the rates. He concluded that Brewin Dolphin has increased the value of the fund whilst balancing out the investment although there is increase in charges.

1130 TO CONSIDER A CONFIDENTIAL REPORT OF A PROPOSED WORKFORCE PAY RESTRUCTURE - 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.

1131 TO CONSIDER A CONFIDENTIAL REPORT OF A PROPOSED OPERATIONAL RESTRUCTURE - Agenda Item 12

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.

1132 TO CONSIDER A CONFIDENTIAL REPORT ON STAFF SALARY REVIEW - Agenda Item 13

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.

1133 Any Other Business - Agenda Item 14

a) Cutter Suction Silt Dredger Open Event 12th & 13th July 2017

The Chief Executive stated that it has been decided to hold the open day events on the 12th and 13th July. A banner has been attached to all emails being sent from the Boards Offices, if any Member would like the banner sending as an attachment please let the Officers know. The banner is on the Boards website, twitter and facebook. An advertisement has been placed in the ADA Gazette due out in two weeks' time. The Chief Executive asked Members for guidance on how far this event should be developed. He stated there is a large grass field near to the site, which can be used for a marquee. Primarily people are going to want to come and view the operations of the machinery and the lagoons. He informed the Committee that Lincolnshire ADA are going to hold their branch meeting in the marquee on this site on the Thursday afternoon. The Chief Executive asked how do you want the Officers to develop the event ie school invitations, other demonstrators?

The Chief Executive asked Members if invites to other farmers and ratepayers who may be interested in getting involved with the works groups and enable them access to talk to Board Members to see what the Board does.

The Chairman responded the core thing is what the Board is doing and for the first time this is happening in a UK inland waterway. It is flying the flag for the Black Sluice. He added that ratepayers should get to know what is going on because the SFFD is big in their lives.

Mr Holmes suggested get a list of all the ratepayers who are adjacent to the SFFD even two fields away and ask those down that corridor from Black Hole Drove to the A17.

The Chairman added it was viewed at Floodex as such a big thing.

Cllr Bedford stated that the NFU spoke about it in their presentation.

Mr Holmes stated Somerset IDB are very interested.

The Chairman clarified that other IDBs will pick it up from the ADA Gazette.

The Chairman also added that the Boston Borough Council members should be contacted.

The Chief Executive clarified yes to contact the Boards key partners with a direct letter, which will go to those landowners within the SFFD corridor as well.

Mr Fowler agreed with the Chairman that it does not want to develop into an ADA demonstration. He believed the core purpose is to see the suction cutter.

The Finance Manager suggested looking at projects rather than machines. Perhaps a WRE representative (Steve Moncaster) and a stand so people could ask questions, Adam Robinson regarding the Boston Barrier, the Chairman thought this was 'good thinking' and people will want to ask questions.

Cllr Bedford remarked that once the nomination for the Secretary of State, there should be an invitation sent.

Mr Holmes queried the logistics of it, are we going to need to review the area we have. He then asked if they would require the trailer; yes the Chief Executive felt it would be beneficial to be able to offer the trailer to ferry people to the site.

The Chief Executive reminded Members that unfortunately we will not know numbers as it is an open event. The Operations Manager added we have to accommodate car and coach parking. The Chairman wondered if Mowbrays yard could be used to park coaches and ferry people in the trailer.

The Chairman believes it will be well attended; the Chief Executive continued by saying these groups should be in the marquee;

- Boston Barrier
- Black Sluice Catchment Steering Group
- Water Resource East
- Partnership Approach to Catchment Management (PACM)
- Environment Agency

Mr Holmes asked if the Chairman was planning to have an Executive meeting before then to discuss all contingencies. The Chairman responded yes. The Chief Executive felt it should be within a week of the event; Members reviewed the calendar and suggested 3rd July 2017.

b) Inspections Tour Netherlands

The Chief Executive outlined a scenario he is reviewing, that whilst attending Floodex and speaking with the three Dutch companies Royal Smals, Vanheck and Heuvelman Ibis there could be an interest by the Board for a study tour to the Netherlands in June/July 2018. They most definitely would welcome and organise events, perhaps a visit to the large sand removal reservoir by Royal Smals. Vanheck showing what their 24 inch pumps will do, a visit to the only steam driven pumping station left in Europe. Royal Smals said they would speak to local drainage boards to be involved as well.

He asked if the Executive would like to explore the option and do they want to think about the dates. He suggested that if the Executive agree then it could be put to the Board to see what level of interest there is.

The Chairman responded Royal Smals have a very good working relationship with the Black Sluice. He believes it would be a good visit it may be that we could include a drainage board. He concluded that previously on these tours we have invited someone like Mr Clack (EA) and ADA have been invited in the past as well.

The Chairman wanted to minute that the Environment Agency deserve credit for the SFFD works with the Black Sluice, which they are not getting the recognition for.

The Members discussed the number of days, week commencing 4th June 2018 and discussed flying from Humberside KLM.

c) Executive Committee Meeting

The Chairman asked if the 13th December 2017 meeting could be a morning meeting due to other commitments. Members AGREED 9:30am.

d) Abstraction Licence

The Chief Executive stated that as a Board we are not involved in permissions for abstraction licences, it is controlled by the EA. It has come to light that the Board does not have an irrigation consenting policy. The Chief Executive would like to draft a policy because the pump and pipework are generally inside the Boards 9 metre consenting byelaw. He believes it may cause issues but previously Boards machinery has struck equipment and this equipment does obstruct Boards machines. The Chief Executive requested the Committees reaction to a draft irrigation consenting policy, which will be supplied to the EA to issue with their irrigation licenses.

Mr Fowler remarked that there are changes afoot in the abstraction policies and licences from the EA; the Chief Executive stated they are currently being implemented for new applications.

Members felt it would be a good idea and the Chief Executive stated that the policy would be presented to the Structures Committee meeting.

There being no further business the meeting closed at 16:08pm.

