

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of a meeting of the Executive Committee

held at the Offices of the Board on
31st August 2017 at 9am

Members

Chairman - * Mr K C Casswell

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| * 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)

The Chairman thanked Members for attending this additional convened meeting of the Executive Committee.

1160 APOLOGIES FOR ABSENCE - Agenda Item 1

There were no apologies.

1161 DECLARATIONS OF INTEREST - Agenda Item 2

There were no declarations of interest.

1162 MINUTES OF THE LAST MEETING - Agenda Item 3

Minutes of the last meeting held on 24th May 2017, copies of which had been circulated, were considered and it was agreed that they should be signed as a true record.

1163 MATTERS ARISING - Agenda Item 4

a) Cutter Suction Silt Dredger Open Event 12th & 13th July 2017 - Minute 1133(a)

The Chairman stated that this event went very well; he commended all the staff and added that the public interest was very good. Mr Rollinson added that there was a lot of interest in the Royal Smals dredger by other IDBs. The Chief Executive added that there was interest from other risk management authorities, which Royal Smals will progress. He concluded that the dredger is still in the water at Neslam Bridge and he believes it will be taken out of the water and transported to the Swineshead depot next week.

b) Inspection Tour Netherlands - Minute 1133(b)

The Chief Executive stated he has spoken to Mr Moreu from Royal Smals who are still interested in helping to organising a tour. The Chief Executive is hoping to organise and plan the tour with more information being introduced at the Board meeting in November 2017.

1164 TO REVIEW A REPORT ON THE DE-MAINTAINING OF EA WATERCOURSES - Agenda Item 5

The Chief Executive asked Members if they had any questions regarding the papers enclosed within the agenda on pages 8 to 33.

The Chief Executive stated that a two-day walk over the 25 km of main river by the Operations Manager, Abi Jackson and Darren Pitcher from the Environment Agency has been completed. He stated they had checked the suitability of the banks, watercourses and assets. The banks are in a fair condition – he informed Members that there are a couple of slips and mechanical access issues which are due to be costed for repair in the hope the BSIDB can undertake the work through the public sector cooperation agreement prior to transfer.

The Chairman indicated to Members that this asset transfer of watercourses should be kept completely separate to the pumping station, in order to present this to the Board.

a) South Forty Foot Catchment Watercourse Business Case

Mr Holmes noted that this document was written by the EA for the EA and therefore you have to read it with this in mind. Otherwise, this document will need to be put in more simple terms in order to present to the Board.

The Chief Executive responded that after this meeting a report could be written in a more simplistic tone to present to the Board.

Mr Fowler asked about the bridges, presumably, these are essential for crossing locations for maintenance and would be kept by the Board for access. The Chief Executive responded that this was part of the review carried out over the last few days by the Operations Manager to gather this information as to whether the bridges are clearly constructed and required for maintenance access or more for land access.

(i) Horbling New Cut & Diversion and Atkinson's Cut (page 17)

Mr Rollinson asked if the Board would be liable for future flooding. The Chairman clarified, on taking on these main rivers, no more than the Board is now. Mr Rollinson carried on by saying that on page 17 Rookfield House floods on a regular basis and the penstock sluice on Atkinsons Cut has never worked. The Chief Executive explained that the sluice is at the top end of a system and perhaps the system over the years has changed. Mr Rollinson asked if the EA flood they seem to get grant aid funding from the Government but the Board might not. The Chairman responded if we have the Horbling Diversion then the Board would consider doing something so that it reduces flooding to Rookfield House.

Mr Holmes asked whom would Rookfield Farm complain to if it were to flood. The Chief Executive responded that the owner would come to the Black Sluice, but he would hope that once the Board is maintaining this watercourse, during the course of the next few months, the Board will set about how to reduce the risk of flooding in the best way we can.

The Chief Executive explained we are aware of a pipe within the bank connected to our system we could open and in the same way the landowner has dug out the top of the bank, the Board may enhance this and further armour the bank. He explained there might be a way of connecting the two systems, where previously there was a differential between highland water and pumped water. These types of scheme proposals can go through the Works Committees for approval.

The Chief Executive stated that this first tranche of de-maining are lower consequence watercourses where the EA cannot attract funding, as the EA remit is to protect property. The Boards remit is to protect agricultural land, which in turn protects property, and businesses. The Board would not be able to attract grant in aid funding either. The EA cannot attract funding for this 25 km stretch of main river – the Finance Manager added that the Board has permissive powers to do the work the Board does not have an obligation to do it.

The Chief Executive queried how the Board can recover the monies to maintain these 25 km – he stated he has tasked the Operations Manager to review the circa 500 miles of watercourses that the Board maintain currently and work on giving up drain maintenance on some sections. He stated that this was discussed at the Works Committees meetings and felt that it was not attracting a positive appetite. The Chief Executive stated he has asked the Operations Manager to review reducing maintenance by putting some of the lower risk watercourses on a 2/3 year cycle of maintenance.

Mr Rollinson stated that he is in favour of taking on these main rivers, but he does not want the liability – risk of flooding, the Chief Executive stated that in his opinion the Board would not be taking on that liability.

Cllr Bedford asked if one of these bridges were highways, the Chief Executive responded that the three bridges are EA bridges on these main rivers there are various other bridges (LCC or private) and this information is detailed within the pack.

The Chairman added that the EA only have two more years funding for maintenance on these low consequence main rivers and are saying that there will not be any further funding. The EA are affectively saying that in the future they could simply be left unmaintained.

The Chairman stated that if the Board looks at some of its low consequence maintained drains and alter our maintenance regime we could save the £11,000 it costs to maintain these 25km of EA main rivers.

Mr Holmes asked the Committees approach in presenting this to the Board. The Chairman stated that every tranche will have to go to the Board but hopefully the others will be more self-financing than this first tranche. The Chief Executive added that the principle is that every process will be the same and the first tranche will be setting the principle albeit the financial transfers could differ in the future as various Boards take on further main river assets.

Mr Holmes believed that we should be looking at the bigger picture and that the Board will have control over these systems – the Chief Executive believed that after speaking with the Operations Manager although the EA have been directing which lengths of main river will be in this first tranche, he felt in the future, the Board will want to be in the 'driving chair' informing the EA what the

Board believes should be transferred next. He commented on one length which has several badger setts on it, therefore the challenge will be for the EA - what do they intend to do about these badger setts before any transfer.

The Chief Executive clarified that finance only comes with assets and not river bank.

The Finance Manager explained the cheapest option for the Environment Agency is to decommission them, with this first tranche is £83,320 to cover the assets and the 25 km comes with that. He outlined that currently the Board is undertaking this work under the PSCA for £11,000. This would give the Board 7 years' worth of maintenance. The Finance Manager stated that the future principle is that the Board applies for a reduction in the precept of 50% of the maintenance costs. In this case, this would stretch the £83k to 14 years. This would give the Board 14 years to rationalise the Boards systems or find the additional funding. The Finance Manager suggested that there might be lower consequence watercourses that the Board currently maintain which are not needed. He continued by adding that these EA lower consequence systems and assets the EA aren't going to maintain are quite high consequence watercourses and assets with regard to the Board systems.

Mr Rollinson recommended that the focus be on de-maining the Boards low consequence watercourses. The Chief Executive agreed that yes this needs to be the Boards focus. He reaffirmed what the Finance Manager said that in the eyes of the EA these are low consequence watercourses but within the Boards catchment they are high consequence systems.

The Finance Manager stated that the Boards responsibility is to protect agricultural land and properties and the EA cannot justify spending money on this particular tranche main river as it only protects 47 properties.

Mr Holmes enquired regarding the bridges, £83,320 will be put towards drain maintenance, what if the landowner does not want to take on the bridges. What costs could be involved in maintaining these bridges. Mr Fowler highlighted that all these funds are going into drain maintenance and none is being saved for long term asset or liability of the bridges. The Chairman responded that the bridges are in good condition and are relatively new; Mr Fowler agreed in this case they are but may not be in future tranches. The Chief Executive stated that in this case the bridges are in good order. Mr Fowler concluded that if you were in a situation where the structures or a lot of bridges in an asset transfer were not in good order, you would need to consider whether some of the monies goes in to potential repair or replacement. The Chairman concluded that if in other asset transfers bridges come across that are not in good order we would assume that the figures will be calculated completely differently because of the problem and this should reflect in what the EA do.

Cllr Brookes asked for consideration, especially the finance involved in the maintenance. He asked, regarding the figures in this EA document to discuss the financial impact at Council level with the Finance Manager. He agreed with Mr Holmes that this document will need to be a separate report rather than in the EA language. Cllr Brookes reiterated that this should be discussed with the Boston Borough Chief Executive for the implications of this on the penny rate; the Finance Manager suggested perhaps a meeting with Rob Barlow to include the special levy increase due to the Q1 development. He added that the Chief Executive could also attend. Members AGREED.

Mr Fowler added that it be presented to the Board that we are doing everything we can to make it cost neutral to the Board in terms of EA precept or handover funds.

The Chief Executive interjected that the EA have stated that it could take longer. The only way to increase the Boards income is by increasing rates or increasing the catchment area. This water comes from the extended area and perhaps the Board could recover a drainage rate from that extended area whatever that rate might be, the EA are working on this now to offer assistance to the IDBs to extend their areas to assist a cost balance. The Finance Manager interjected and stated that this would take an "Act of Parliament".

Mr Rollinson asked if the Pointon lode will be the first highland carrier that goes into the South Forty Foot Drain that the Board will have control over, the Chief Executive responded yes.

b) Rationalising the Main River Network project

The Chief Executive tabled a document from the Environment Agency regarding the information process to inform the public. The EA are organising three public drop-in dates,

- 9th October 2017 at Rippingale Fen Village Hall
- 11th October 2017 at Billingborough Village Hall
- A third venue and date tba

Introducing this process at meetings tba 21st September 2017 South Forty Foot Steering Group, 2nd October 2017 Lincolnshire Strategy Group, 19th October 2017 Lincs ADA Branch meeting and 20th October 2017 Anglian Northern RFCC meeting.

The Chief Executive stated that dates are yet to be agreed for drop-in meetings (if required) at the BSIDB offices, very similar to the last consultation, the Board must be seen as fronting a partnership approach alongside the EA. Presenting all the information, available photographs for any public concern. He added that they will be looking at future funding from a local authority prospective as part of these drop-in meetings. The district councillors will be invited to question, review and discuss where the Board could approach possible assistance for maintenance.

The Chief Executive highlighted to Members that a positive approach and the right message from Board Members attending these public consultations would be essential.

(i) Defra Minister Therese Coffey MP Visit

The Chief Executive reported that Defra Minister Therese Coffey visited the BSIDB to view an IDB.

The focus of the visit was about our approach to environmental legislation and governance, plus local Councillors involvement. The Chief Executive stated that Ms Coffey was very knowledgeable on IDB involvement and he felt she was pleased with our performance and thought the tour went very well.

1165 TO REVIEW A REPORT OF THE TRANSFER OF THE BLACK SLUICE (BOSTON) PUMPING STATION - Agenda Item 6

The Chief Executive stated that there is a lot of information within these EA documents in the agenda.

a) Black Sluice (Boston) Pumping Station Commuted Sum

The Chief Executive outlined (page 38) stating that the EA have calculated a decommission cost and then an average maintenance cost. He added that subsequently these figures have been reviewed by the EA and they will change in that they have reduced their maintenance costs but they have increased the decommissioned costs.

b) Black Sluice (Boston) Pumping Station Asset Transfer Option

The Chief Executive clarified that the EA Pump Engineer is not included in the transfer; the IDB can externally advertise for this position and hope we receive the right applicant.

The Chief Executive explained the EA are only discussing the Black Sluice (Boston) Pumping Station, they are not talking about transfer of the sluice gate and navigation lock. He added that once the Black Sluice IDB control the pumping station asset the EA will pay the Black Sluice to maintain the navigation lock and sluice and possibly, continue maintenance work on the Grand Sluice and Maud Foster, this will recover an income to the Board.

The Finance Manager raised the question regarding the emergency procedures, what procedures will be put in place because in the past decisions have been difficult to control. The EA have indicated that it will be a direct discussion between the EA and Black Sluice IDB.

The Chief Executive concluded that there will be a detailed legal agreement drawn up.

The Chairman reminded Members that generally at the Board meetings Members agree that the Black Sluice (Boston) Pumping Station cannot be moth balled, Boston needs it – he confirmed that if the Board do not agree to do something with the EA before 1st April 2018, the EA will moth ball it, and take the pumping station out. He added that it has only been used a couple of times in the last 2 years, and in those events it was able to pump water out and it may be needed to pump in the future therefore it needs not to be decommissioned.

The Chairman reminded Members that if there had been an event when the sluice had broken down for three weeks the EA would have had to use the pumps continually because the lock cannot do as much as the sluice – this is a scenario which could be a serious problem for Boston.

Cllr Bedford asked of the three engines, which are not in use, can these be looked at, the Chief Executive responded yes he indicated that the Board would look into reconditioning one of these engines.

The Chief Executive added that the BSIDB Pump Engineers and Operations Manager have reviewed the current BSPS operations and decided we would operate on a very similar arrangement as it is currently run.

He also highlighted that due to modern weather forecasting the Board will probably be a little more proactive and if some prolonged forecast of rain then the Engineers would lower the gates to lower the SFFD earlier.

The Chief Executive stated that the workmen selected to have training at the Black Sluice (Boston) Pumping Station are continuing and increasing through the PSCA.

The Chairman added that there is expertise of similar sorts of pump engines at two available IDBs which means there is engineering knowledge in the area.

c) Eel Regulations Compliance

The Chief Executive stated that the only significant cost implication that has been identified with the pumping station post transfer was any restriction regarding the European Eel Restrictions compliance, which has been indicated and is currently being reviewed with regard to future refurbishment. He suggested that it be included in the legal document that there may be a requirement to assist in funding for this.

d) Black Sluice (Boston) Pumping Station Proposed EA Precept Reduction

The Chief Executive outlined this agenda item, detailing the emails between himself and Abigail Jackson (EA). He clarified that it is not within the EA remit to make a decision on a precept reduction this will require a decision from the RFCC to gain approval to reduce the Boards precept. The Chief Executive has spoken to the Chairman of the RFCC briefly explaining the principles behind this request and what the Board is looking to do regarding the precept. The Chairman of the RFCC has requested a meeting with the representatives of the EA and the BSIDB to discuss and this meeting is being arranged.

e) Potential Effect on BSIDB Budget and 10 Year Projections

The Chief Executive reviewed the spreadsheets giving projected outcomes for increased income and the effect on the penny rate. He highlighted that the Board is paying a large sum in precept to the RFCC arguably for them to pay it back to the Board through the EA using our Public Sector Cooperation Agreement and look to review this in line with what the EA are saying it costs to maintain the Black Sluice (Boston) Pumping Station. The Chief Executive suggested to the EA in a simplistic format that a 50/50 split for the maintenance funding required, the Board will find 50% and reduce the precept by the same amount.

The Chief Executive outlined that this would potentially be 8.33 years' worth of funds that the Board would have to maintain the Black Sluice (Boston) Pumping Station if the maintenance costs remained the same. This would give the Board 8 years to identify additional income, new income streams to help run this pumping station.

A question was raised, asking does this mean that after 8 years the 50% reduction will stop, the Chief Executive clarified he had responded no; it will continue.

The Finance Manager presented the spreadsheets detail on page 34 to 37, he highlighted that the monies would run out in 2023. He indicated that this budget forecast presents scenarios; if a sudden increase in the rate for example would need to be 9.11% however after the 10 year period this will

leave a need to find £76,000 which will need a further increase in the rate – he felt this was a none starter. He then presented page 35, which is the scenario of a gradual increase of the rate from 2019/20, starting at this year as the agreement with the Boston Borough Council is to hold the rate in 2018/19. He looked at the increase over the period of a 2.75% average – then in the 10th year £35,000 still needed to be funded. He indicated that these include inflationary figures. He then presented the spreadsheet on page 36 which includes a precept reduction by 50% - this scenario in the 11th year there is still £142,000 still to find. He then presented page 37 with an extended budget to 20 years, looking at ending up with a balanced budget in the 20th year to find £8,000 and the following year the budget would balance.

The Chairman queried that if the running costs are lowered by the way the BSIDB run the pumping station then the estimate running costs on these spreadsheets could be very different.

Cllr Brookes asked what is the inflation number included in the spreadsheets – the Finance Manager responded 2% across the spreadsheet. The Chief Executive highlighted that the rate increase does not look dramatic if you take the inflation figure out, the Finance Manager clarified that the figure includes 2% therefore the Boards rate increase is 0.21% as an example.

Cllr Brookes asked to view the current BSIDB budgeted rate projection, the Finance Manager presented this on the screen and Cllr Brookes acknowledged that there is very little difference in the figures – he suggested that if this were to be added to the spreadsheet it would help present a view to the Board. The Finance Manager agreed he could put this on the spreadsheet for the Boards agenda. The Chairman felt a column should also be included to indicate if the 50% precept is not agreed.

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

1166 TO CONSIDER PERIOD 4 MANAGEMENT ACCOUNTS - Agenda Item 7

The Finance Manager presented pages 49 - 52, he highlighted to the Committee;

- Rating Levies - are slightly behind on collection due the rates going out late this year, this will come back.
- Pumping Station Maintenance is positive due to no excessive rainfall leading to no required pumping. This is currently favourable at £24,000.
- Drain Maintenance is showing a favourable budget, the opposite to this time last year, due to the works which have been done on the SFFD, labour and resources have been concentrating on these works therefore they have not completed early desilting works on the Boards watercourses.
- SFFD Scheme on page 50 – the Chief Executive presented this and stated that he has a meeting with the EA to inform them where the additional costs have been incurred in order for Mr Clack to write a paper to initiate an order for the costs over and above what was first indicted at £281,000 – these additional costs are associated with bushing works and Officers/Workmen involvement. Additional costs with the silt cutting machine, Scarborough Nixon ecological works, slight increase in the removal and placement and spreading of the cott weed out of the SFFD.

- Income & Expenditure – the Finance Manager highlighted the recoverable income compared to last year.
- Solar Panel Income – the Chief Executive stated that ADA recently surveyed all IDBs in the Country – the BSIDB are way in front in the process of solar panel income.
- Balance Sheet – there are still no investment opportunities in the market available, £300,000 has been left in Monmouthshire BS so that not all is kept in Natwest.

1167 TO CONSIDER A CONFIDENTIAL REPORT ON REVIEW OF SALARIES 2018/19 - Agenda Item 8

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.

1168 Any Other Business - Agenda Item 9

a) Water Resource East Anglia Group

The Chief Executive reported that the WRE group have agreed that a confidentiality agreement must be signed in order to continue attending the group meetings. Anglian Water have put together a unilateral disclosure/confidentiality agreement, which the Chief Executive sent to Dennis Bainbridge the Boards' Solicitor. Mr Bainbridge stated to the Chief Executive that the agreement appears ok. The Chief Executive informed the Committee that it is the intention for the Chairman and Chief Executive to sign these agreements before attending the forthcoming meeting in September 2017, if these agreements have not been signed then they will not be able to attend. Members AGREED.

b) ADA Pay & Conditions Committee - 20th September 2017

The Chairman stated that he will be unable to attend this meeting and asked if any Members of this Committee could attend in his place.

There being no further business the meeting closed at 11:10am.

