

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 December 2017 at 9:30am

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)

1209 APOLOGIES FOR ABSENCE

There were no apologies.

1210 MINUTES OF THE LAST MEETING

Minutes of the last meeting held on 31st August 2017, copies of which had been circulated, were considered and it was agreed that they should be signed as a true record.

1211 MATTERS ARISING

(a) Inspection Tour Netherlands - Minute 1163(b)

The Chairman asked how the arrangements were progressing, the Chief Executive responded that there is nothing further to report other than Mr Charles Moreu and Mr Farhat Ben Amor from Royal Smals came to look at the North Forty Foot and discuss the South Forty Foot with the Operations Manager. The inspection tour was reintroduced to them at which they said yes, their secretary shall be in touch with us as she is helping to arrange or find suitable hotels, transport etc and if she does not get back to us before Christmas she will let us know in the New Year.

(b) Rationalising the Main River Network Project - Minute 1164(b)

The Chief Executive updated the Committee regarding this stating it was all going ahead there is a programme of events;

- w/c 18th December - National EA to upload pre-consultation materials. This will be a soft launch - the national team will send letters to national stakeholders
- w/c 1st January - Advertise the consultation - communications to all stakeholders (national and local), Press release, Social media

(national and local). IDBs, LLFAs and district councils to support as agreed locally.

- By 5th January - All local content for documents to be finalised and approved by local approvers. Local leads will advise on relevant dates to ensure approval timelines are met.
- w/c 8th January - EA to upload finalised consultation documents (both local and national)
- 15th January - Consultation goes live for four weeks

The Chief Executive stated at the moment regarding the several de-maining watercourses, there are two that are being challenging - Cliff Beck and Carr Dyke due to lack of access to at least one bank by mechanical means because there are large amount of trees. The commuted sum transfer is c£83,000 if those two watercourses are taken out it will reduce to c£60,000 because there is an asset on one of those particular watercourses. The question to this Committee is "do you want us to go ahead with the transferring of these two watercourses without mechanical access to at least one bank yes or no" also "do you want the Board to use any of the monies being transferred to remove these obstructions which will cost circa £50,000 to remove all of the obstructions. A decision is required by this Committee in order to reach the timetable of 18th December 2017.

There are two particular landowners, one being a Board Member, we are trying to contact and liaise with them. Mr P Holmes stated that this is the first pilot scheme, he believes that the Board would not be agreeing to take on watercourses without them being in a fit state so that they can be maintained. The Chief Executive totally agreed, and this is the purpose of the pilot to identify said problems. We have gone back to the EA stating we have found these problems and it will cost circa £50,000 to remove, this could be carried out under the PSCA and the EA have responded that they do not have the funding.

He then asked the EA what are they going to do they responded they will de-main them to riparian responsibility which they currently are so it's a very simplistic answer from the EA.

The Chairman clarified if the Board did the work then we would not have any money for future maintenance. If they go back to riparian then it will be the landowner's responsibility.

The Chief Executive clarified with the Committee that if the landowner who owns the trees is not prepared to remove them at their own cost the watercourses are not de-mained. The Members all agreed.

The Chief Executive stated that they have given both landowners a deadline and he doubts he will get a response.

The Chairman asked if there was to be a blockage and trees had to be removed would this be at the landowner's expense/responsibility? The Chief Executive responded the EA at the moment believe the watercourses in question offer no protection to reduce flooding to housing therefore they cannot find the funding to maintain them. If there were to be a bank slip today and that watercourse was closed you cannot get a machine to it to move that slip what are you going to do,

The Chief Executive responded there are various elements that the Board could undertake ie could remove the trees and charge the landowner, could remove them at the Boards own cost, could carry out the works manually which is not feasible so there are various answers to the question.

Mr J Fowler asked would you give the landowner an agreement that if they cleared access then the Board would adopt the drain - would this be your thinking once we had mechanical access? The Chief Executive responded yes.

Mr P Holmes asked whether either of the drains by the Board not adopting them impact on the any drains upstream within the catchment. He asked are they an integral part of the infrastructure, the Chief Executive responded that not at this moment in time. If and when the catchment area is extended he would not be able to answer the question not sure what runs into them that we would maintain in future years I doubt very little but at this moment in time we don't feed into those watercourses.

The Chairman added that if the area was extended we would have money available and may be able to do something about it but only potentially.

Mr P Holmes pointed out that if they pass into riparian ownership the landowners might come to the Board in the future and have the same conversation they have had with the EA, if the trees were removed would the Board adopt them then. The Chief Executive responded perhaps in several years time if there is an extension into the upper catchments the Board would be adopting watercourse to maintain and this could be one of them.

Cllr M Brookes asked if they make them riparian and the owners come later, we would then not have the money from adopting them through the de-maining process. The Board would have lost the de-maining funding from the EA as it is reducing from £83,000 to £60,000 so by going around that route we lose £20,000. Mr P Holmes responded that the £20,000 was for the asset not cleansing. The Chairman added that in reality the EA have been slack in not sorting it out earlier because they do have the enforcement officers but they have just not been enforcing riparian cleansing. The Chief Executive added that the EA enforcement officers have not got time to enforce on low criteria watercourses. The Chairman added that the EA said that Lincolnshire County Council could possibly take up the baton on that if required.

Mr M Rollinson asked is it his understanding that we are going to bat this back we are not going to take these two on but can we leave a proviso in there that the EA might unexpectedly find funding. The Chief Executive responded then this would mean that they could be put into the next tranche. Mr M Rollinson clarified that the Board is happy to take them on in the future if there were funds available. The Chief Executive responded yes just not at this time.

(c) Potential Effect on BSIDB Budget & 10 Year Projections - Minute 1165(e)

Mr P Holmes pointed out bearing in mind the news yesterday, there is an inflation figure within the budget of 2% its seems to be continuing increasing out of control.

1212 TO CONSIDER THE 2017/18 BUDGET AND TEN YEAR PROJECTIONS - Agenda Item 6

The Finance Manager stated that he spoke with the Chairman before starting to put the budget together because there are things, which are 'in progress' which could affect the budget such as the Black Sluice (Boston) Pumping Station and the rationalisation of the main river network. It was agreed that these were unconfirmed therefore, a budget could only be put together with confirmed data. He stated that later on in the agenda papers there is a budget with the Black Sluice (Boston) Pumping Station. The Finance Manager reminded the committee of the target of the General Reserve had been 25% of annual expenditure for many years and recently reduced to 20%. To continue with this objective alone would result in an £80,000 deficit in the tenth year which would be a large gap to fill in year eleven onwards.

The Finance Manager therefore proposed;

1. to continue to reduce the board's general reserves, with the target of 20% of annual expenditure.
2. to achieve a balanced budget in the reporting period.

The Finance Manager asked if the Committee agreed to work to this basis rather than having a big deficit at year 10 the Chairman felt this made sense and all acknowledged.

- (a) Rates & Levies – it was agreed with Boston Borough Council to freeze the rate for this year and last year and he assumes that the Board intends to honour this. An increase of 1.49% has been included for the four years following 2018/19 but with inflation included on expenditure at 2% this widens the deficit gap year on year. To resolve this a 2.5% increase has been included for the second half of the 10 year estimates resulting in a balanced budget to take forward in to year 11. There was an issue last year in that the penny rate is not run until mid-December as it is based on the figures at 31st December. It generally runs in the Boards favour and last year it resulted in an additional £20,000 income. This will be the case this year and, unless development in the area stops, for future years.
- (b) Interest – the Finance Manager does not see many prospects for interest it was £36,000 in 2009 and he is struggling to make £1,000 this year with a slight increase in the interest rate he suspects this may increase quite dramatically if inflation goes out of control. There may be some opportunities moving forward but certainly not a lot at the moment.
- (c) Grants & Local Levy – this was brought up at the Joint Works Committee both the Chief Executive and Operations Manager have been very successful in getting Local Levy monies and Flood Defence Grant in Aid (FDGiA) for the North Forty Foot Drain at Sempringham.

- (d) Development Fund – the scheme for the Q1 Development has been funded from this fund and nothing is planned for next year.
- (e) Rental Income – this time last year the mast in the Depot had not had an extension on the lease. There is still no extension on the lease but they have caught up with their rent review and a back payment for the ones they had missed. The rents were reviewed last year but we did not make any changes so unless any suggested changes for this year they will be left as they are.
- (f) Other Income – consents do fluctuate in numbers the estimate is two a month, highland water contributions are still being paid although there may be some amendments in relations to the rationalisation of the main river network if this goes ahead although more detailed information would be required.
- (g) Solar Panel Income – it is working as the Government calculator and is slightly positive each year and is giving the Board a good return on investment.
- (h) Capital Schemes – all the details were as presented at the Joint Works Committee.
- (i) Pumping Station Maintenance – this could still hit if there is continued rain for a period this is being maintained at £370,000 for the fourth consecutive year.
- (j) Drain Maintenance – this is another area where there are some positives because of the additional works completed for the EA and PSCA there is extra money in the budget and the reserves and the drain maintenance budgets can increase by £40,000 with the work done this is more money going to the day to day business of the Board
- (k) Environment Agency Precept – this is presumed that there will be no increase in the precept this will be decided at the RFCC meeting in January 2018.
- (l) Administration & Establishment – the overall 2018/19 budget is 21.44% of income so based on the fact the restructuring in 2013 it was agreed to be below 25% this is good news although it looks likes it has increased quite substantially this is due to the restructure to accommodate the extra work.

Administration Salaries, the Finance Manager asked for a decision, he directed the Committee to the Lincolnshire ADA recommendation for the Pay Award in the November 2017 referring to the budget announcement in the paperwork at page 19 which states “the rate published was 2.2% a new figure was expected today and the three month average figure is 2.5% which equates to 2.25% the decision required is “has the public sector pay cap been lifted or not because there are two options in the recommendations”. Cllr Brookes believed it has been lifted for certain classes of workers, the Finance Manager added LGA have proposed employers side 2%, the Armed Forces are at 1% and then other bodies have gone out for review.

The Finance Manager's reading is that it is announcing its intention to move away from the 1% basic public sector pay award and the fact that actually they are sending the pay around to the review bodies if it is not lifted then there would be no point in sending out to review bodies. Cllr Brookes added that if you are talking about controlling inflation then you have to control wages in some way.

The Chairman asked what is the ADA Pay & Conditions stance on this, the Finance Manager responded that there is an agreement it may be decided that a meeting may have to be called. The Finance Manager asked what is Black Sluices standing, what is their interpretation? The Chairman responded the Board always felt it never really included IDBs anyway and with all the problems we have retaining labour and such like you nearly have to say we don't want to be going down this route again and we don't want to be reorganising again.

Cllr M Brookes feels we should stick with 2% in the budget but so far as a policy moving forward with things so up in the air it is difficult. The Finance Manager presented an email on screen which detailed the Union's view on the 2%.

The Chairman asked the Committee did they want to leave it at the 2% and if it goes up in January 2018 by a lot above inflation then it can be discussed again. The Finance Manager stated that the budgets are done. Mr P Holmes asked if worst case is 2.25% do you want to put your figures in the budget now - is it better to have it in the budget, the Finance Manager responded that this information only came in this morning. The consensus was that it be 2%.

- (m) Election – the direction from the Minister is detailed on page 20 as per Election Act 1938. This direction states the Board does not have to use the local newspapers, the Board can inform the public via a publicly available website. The Finance Manager suggested that it is placed on the Boards website which will then have links onto twitter and facebook. It also can be placed on a noticeboard at the front of the office. He also suggested that rather than formal notice more of a note in the drainage rate leaflet could be appropriate which is what some of the other IDBs are going to do I think by doing all this you will get more coverage than you would by just putting it in the newspaper.
- (n) Wages On Cost Reserve – last year before we knew the amount of work we would be expecting from the PSCA the wages on cost rate was increased from 240% to 260%. Then substantial work was achieved through the PSCA and this has resulted in the wages on cost having a number of fixed costs and the fact it is 220% above the salary rate. This has meant we have built up a surplus. To keep it at 260% we would be putting excess surpluses into the wages on cost account so even at taking it back to 240% it was still feeding money into it. We already have £80,000 expected at the end of the year so we don't want to be putting more in. We are trying to balance it year on year so we have pulled it back to 220%. Doing the extra work and recharges means we are being more efficient and using our labour and plant as a whole more effectively. Pulling it back to 220% will use £20,000 of that £80,000 and we can work to balancing it out in the forthcoming years.

- (o) 8 Year Plant Estimates – with the extra work there is more money going into the plant account from the recharges which means the recovery rate has increased by £20,000 per year otherwise the Board would not be able to afford the extra plant.
- (p) General Reserve – with the new objectives the budget is looking at 25% by year 10 but actually it only has an £8,277 deficit which when it rolls into the year 11 it will be £200 it will be a balanced budget with 25% reserves.

The Chief Executive presented the plant estimates on page 28 stating that a possible replacement for the Twiga could now perhaps be the new Herder machine which the Operations team have requested a demonstrator model. It is the only machine the Operations team have seen that can rival the Twiga.

The Plant Estimates has been put together with as much detail as possible, the question had come up about the road vehicle timings and although we could keep them for longer it is the recovery costs residual value of the vehicle once it went to 4/5 year it dramatically drops off therefore we prefer to keep them at a 4 year change over. There will be a request again from the Vauxhall Fitters vehicle for 4 wheel drive, but it's not about the 4 wheel drive it is about the ground clearance so we are going to keep that arguably the same. The Operations team put some preliminary figures about the cost savings of owning and operating a Board's drott in relation to what costs are associated with hiring one or two in a year on year, surprisingly it is more favourable to hire them in.

The Chairman asked about the Unimog if it is running reliably? The Chief Executive responded that it has been running reliably and its timing for replacement has been pushed back again because of its new engine but a time will come when this does need replacing and it will be a major debate with regards to operational staff whether the Unimog is the right vehicle or not. The Chairman then asked about the JCBs are all of them running all right, the Chief Executive stated they have problems as usual but the main problems with the JCB is the telescopic arm. The Operations team believe as a Board, it is the way forward, the telescopic arms can operate in confined spaces and operate on the summer cutting but the Operations Manager, Works Engineering Manager and the Operations Supervisor are challenging their own thoughts suggestions with regards to future replacement JCBs whether they are going to be static single arms or telescopic arms or a mixture because it's the arms which cost the money. All the Board's JCBs have telescopic arms, it works well, but they are expensive pieces of kit.

Cllr Bedford asked if all the Twigas were working, the Chief Executive responded that there is one stood at the moment. The Chairman asked will the Twigas be well serviced during the winter to pre-empt any possible problems on the servicing side. The Chief Executive explained that servicing is done as a matter of course, the Operations Manager and Works Engineering Manager will be having a meeting with Spearhead and Irelands, because the main problem is the availability of specialist parts which is the failing, Spearhead and Irelands collectively said they would stock more parts and they have stocked some but now they need to stock more.

1213 TO RECEIVE A CONFIDENTIAL REPORT ON THE BLACK SLUICE (BOSTON) PUMPING STATION - Agenda Item 7

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.

1214 TO APPROVE THE ADA MODEL OF THE LAND DRAINAGE BYELAWS - Agenda Item 8

The Finance Manager stated that the model byelaws approved by Defra, he has gone back to them with the points raised at the Board meeting detailing the third byelaw where it states "where there has been development" explained how it restricts the Boards powers. It was also discussed at the Lincolnshire Clerks meeting and some IDBs had not realised. Bedford group has taken this out and there are other IDBs which have been approved by Defra and are now being advertised. Defra has said they have forwarded onto legal for advice. National ADA have corresponded their views as they are reviewing this as well stating that they are very conscious that some IDBs will now be advertising these byelaws in order to adopt the 2012 version.

The Finance Manager stated that as it stands at the moment the Chairman has both copies for signature one with the "where there has been development" and one copy reverted back to what it had originally stated. The elements which Mr Leggott had raised have been sent through to Defra and ADA National saying in the correspondence that the suggestion "where a judgement is required there should be more definitive as to who's judgement is the Boards Officers". The Chairman then asked Members if he should sign the copy which byelaw three has reverted back to its original wording. Members AGREED.

1215 TO RECEIVE THE PERIOD 8 MANAGEMENT ACCOUNTS - Agenda Item 9

The Finance Manager stated that he had presented period 7 accounts at the Board meeting and as little has changed to period 8 management account unless Members had any queries or questions. Members received the management accounts.

The Chief Executive stated that it has now been two weeks since A Clack stated he would resolve the outstanding issue regarding the South Forty Foot works and the outstanding £126,000.

1216 ANY OTHER BUSINESS - Agenda Item 10

There was no other business.

The Chairman thanked the Chief Executive and Finance Manager for all their work and efforts achieved this year to keep this Board in the public eye and all the future opportunities.

The Chief Executive responded with thanks from the Management team.

1217 CONFIDENTIAL TO REVIEW SENIOR STAFF SLARIES - 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.

There being no further business the meeting closed at 11:52.

