

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of a meeting of the Executive Committee

held at the offices of the Board on
23rd May 2023 at 2pm

Members

Chairperson - * Mr K C Casswell

* Cllr P Bedford

* Mr J Fowler

* Mr M Rollinson

* Mr M Brookes

* Mr P Holmes

* Member Present

In attendance: Mr I Warsap (Chief Executive)
Mr D Withnall (Finance Manager)

2146 Recording the Meeting - Agenda Item 1

Committee members were informed that the meeting would be recorded.

2147 Apologies for absence - Agenda Item 2

There were no apologies for absence.

2148 Declarations of Interest - Agenda Item 3

There were no declarations of interest.

2149 Minutes of the Meeting - Agenda Item 4

Minutes of the meeting held on 17th January 2023, copies of which had been circulated, were considered and it was AGREED that they should be signed as a true record.

2150 Matters Arising - Agenda Item 5

(a) Pay Award 2023/24 – Minute 2082(b)

The Chairperson noted that a meeting was held with the union recently. It coming to light that the pay award offered by Lindsey Marsh IDB of 5.5% also included a reduction in overtime pay from time and a half to time and a third. It will hopefully be a smoother negotiation process next year.

Mr P Holmes questioned which Board's are now in the ADA Pay and Conditions Committee? It was confirmed that there is Witham and Humber IDB, Witham 4th IDB and South Holland IDB, alongside the Board.

The Finance Manager noted that the end of year position is more favourable than expected.

(a) Period 12 Management Accounts

The Finance Manager highlighted key points from the Period 12 Management Accounts, as follows:

(i) Electricity (Woldmarsh) & Pumping Regime

The prices seems to have settled at a price slightly above what we had previously, but it is certainly a step in the right direction. The Finance Manager noted that once they are in receipt of confirmed bills, the estimates will be revisited.

Mr P Holmes questioned if the night-only pumping regime is still being operated? The Chief Executive responded, yes, and that they have also been increasing levels throughout the catchment, therefore producing a reduction in pumping anyway, but any pumping that is required, is done between the hours of midnight and 7am. There has only been one occasion where pumping was required during the day.

Mr P Holmes acknowledged this but noted the importance of being especially aware of the weather forecast with levels increased. It was confirmed that the new higher levels are not ridiculously high and is barley noticeable to the public eye. It was also noted that the gravity pumping stations have been able to achieve levels just above the South Forty Foot summer levels and so are gravitating during the day.

Mr M Rollinson acknowledged that Woldmarsh have saved the Board a lot of money over the years, but suggested that if the electricity price dropped to a level the Board are happy at, would it be prudent to sign into a longer-term contract, say 3 years? The Finance Manager noted that Woldmarsh are looking into this. The pumping station prices are currently fixed from April 2023 to the end of September 2023 at the current rates. After that, Woldmarsh are looking at a longer term contract. Mr M Rollinson felt that by being a longer-term contract it would provide more stability and remove the risk of potential volatility. The Finance Manager noted that he will get a quote from another broker for comparison.

(ii) Investments

The Finance Manager noted that a meeting was held with Brewin Dolphin last week to discuss the Board's portfolios. Discussion took place around the risk level of investment, with James Scott of Brewin Dolphin suggesting that the level 5 investment had retained its value more than level 3. The Finance Manager displayed on screen comparison graphs of investment performance, outlining the current Board investment at risk level 3 (blue line) in comparison to what the performance would have been at risk level 5 (as per Bourne North Fen). The Finance Manager next showed the same comparative graph, but instead this time based on gross value including income received. The Board's investment is currently at a c£7,000 loss, whereas, if it had been invested at risk level 5, it would currently be c£29,000 up.

The Chief Executive also noted that the Board could have cashed it out when up and re-invested, questioning whether the Board should be reviewing it more frequently? Also noting the unprecedented circumstances in the period of the investment, i.e., pandemic, commencement of war etc.

It was confirmed that the higher risk investments are performing better because they are more in the market and less in bonds.

Mr M Rollinson noted the commission cost associated if the Board decided to increase to risk level 5. Mr M Rollinson also felt that, as a public authority, the investment should stay at risk level 3. The committee didn't feel comfortable in increasing the risk level.

The Finance Manager next explained that they have been looking into setting up with BGC Brokers for investments with building societies, but has not had anything back following submitting the paperwork as of yet. James Scott of Brewin Dolphin has mentioned the Royal Bank of Canada who, through Brewin Dolphin, offer some fixed term deposits. The current minimum deposit is £400,000, but they are expecting this to reduce to £250,000. The rates are 4.2% for 6 months and 4.5% for 12 months. It would be invested with whoever they recommend as a broker.

The Board's current investments with building societies were confirmed as follows:

- NatWest Reserve @1% £1,280,043
- NatWest 35 Day Notice Account @ 1.61% £500,631
- Monmouthshire BS @ 0.65% 35 Day Notice £300,000

The Chairperson suggested moving all of Monmouthshire to Brewin Dolphin (Royal Bank of Canada). The Finance Manager noted that he will approach Brewin Dolphin about the potential £300,000, adding that he would be comfortable to invest £300,000 for 12 months and further £300,000 for six months.

(b) 2022/23 Schemes Report

The Finance Manager explained that grant income has to be shown in the year it is received and grant expenditure has to be shown in the year it is expended, in the accounts, and so this report helps to show where the different schemes are at.

The most notable parts relate to money being brought forward, giving the example of the North Forty Foot Revetments, which has not managed to be completed in the last 3-4 years, there is still some pipe lining to complete. £149,101 brought forward.

The Chairperson raised a point that James Casswell has contacted him regarding his dyke at Holland Road Farm, Spanby and that it has slipped and is compromising some of his pipes. The Chief Executive noted this.

(c) Draft 2022/23 Unaudited Financial Statements

The Finance Manager presented the unaudited financial statements, noting that these are a summarised format of the accounts.

The Finance Manager drew the committee's attention to the figures highlighted in yellow which relate to the pension reserve, the new pension figure was not received in time to produce the accounts, but has now and so will be updated for the Board. As expected from the valuation, the £2,703,000 deficit is now £446,000 surplus. The deficit payment being paid this year is £8,000, rather than the £66,000 being paid towards the deficit last year. This makes no difference to the Board's cash flow. Further noting that the employer's rate has increased from 18.2% to 23.6%.

The Chairperson noted that the accounts are good considering where it was anticipated they would be.

(d) Annual Governance and Accountability Return for the year ended 31st March 2023

The Finance Manager presented the unaudited financial statements, noting that these are a very summarised format of the accounts. The Internal Auditors section has been signed on the AGAR and will be included in the Board agenda.

2152 2022/23 Annual Internal Audit Report - Agenda Item 7

The Chairperson noted that substantial assurance has been achieved again, with no recommendations. Congratulations were expressed to the Finance Manager and all the team involved.

There was only one point raised which referred to the wording of the aim for the reserves within the Financial Regulations Policy and it not being exactly the same in the policy as it was in the minutes. This has now been changed to be exactly the same and is rectified.

Mr P Holmes questioned if the new wording 'aim to be able to fund a minimum of two consecutive 'wet' years of electricity from the General Reserve' is specific enough? It was confirmed that the Internal Auditor is happy with the wording. The committee AGREED that the current policy offered a degree of flexibility to cater for future fluctuations in the cost of electricity and should remain as agreed by the Board.

2153 Report on Finance & Rating - Agenda Item 8

(a) Updated 2023/24 10 Year Schemes Budget

This reflects what is outlined within the schemes report. The items highlighted in red are those that have been brought forward from last year.

BSIDB Natural Flood Management Works & Studies

These are work in progress and currently going really well. The Chief Executive noted that these projects are 'snowballing' as was expected, it just took the first few projects to commence on site. The Chief Executive added that these projects are not major engineering projects like that at Swaton, but are things such as wetland areas, logs across a stream etc.

Mr M Rollinson questioned if the project between Swaton and Spanby is completed? The Chief Executive noted that there has been a bit of snagging, but is, in theory, finished. Mr M Rollinson suggested it may be interesting to visit on the Southern Works Inspection Tour in July.

Sempringham Pumping Station Refurbishment

The first of this funding was spent in 2016 and has been going on since. It is now coming towards conclusion. The civils work for the weed dump area has been put in and the order for the weedscreen cleaner is about to be placed. There is £138,980 left, the weedscreen cleaner is only £130,000 but there is also some fencing and other civil works to complete and so this project will go over budget (due to having been going on since 2016 and costs rising). However, the Operations Manager and Grant in Aid Manager are hopeful they will be able to achieve more grant funding.

North Forty Foot Revetments

The outstanding work is a pipe to line from the North Forty Foot back to the housing estate. The pipe underneath the road has slightly collapsed, but this is a responsibility of highways, and the Planning & Byelaw Officer is in contact with Lincolnshire County Council regarding additional funding for the pipe to be replaced as opposed to lined.

Black Sluice Catchment Studies

The results from the five separate catchment studies have been received, this relates to any that have not been done yet and the overall catchment. It is currently with Stantec who are doing all the consolidations and overall approach.

(b) Updated 2023/24 10 Year Plant Replacement Budget

This has been updated to show the actual year end figure brought forward. The items highlighted in yellow have been changed for 'actual' values in this year, noting that the compressor has been taken out (not used enough to warrant changing it). Changing the dump trailer has also been deferred until next year as it has just had work done on its hydraulic rams and so should be fit for purpose for another year. The Hooby is due for delivery at the end of March 2024 / April 2024. The new Toyota trucks delivery has been pushed back to September 2023.

The Chairperson referred to the proposed change of the Hitachi in 2024/25, noting that it is still in good condition. The Chief Executive noted that there has been discussion of deferring it another year.

(c) Updated 10-year estimates to reflect Scheme updates and 2022/23 -year end position

Last year's figures have been updated with the actual figures, brought forward the schemes figures and updated through. It being similar to what it was.

The Chairperson questioned if there has been much feedback from agricultural ratepayers regarding the rate increase? The Finance Manager noted that there has been a few but not a great deal and doesn't expect there to be more than usual on the court list.

There has been more analysing their rate demand, especially in relation to special buildings that have a higher rate. There are two cases of a chicken shed and piggery that are being challenged by the respective ratepayer as they are no longer used in that capacity. The Finance Manager has explained that if the specialist equipment is removed, it effectively becomes nothing more than a storage shed and so can be removed from the special buildings. If not, he will attend site to take photographs to present to the Board for a decision.

Mr M Rollinson noted that not many read the Rating Brochure and once it is explained about the electricity prices, most people understand the need for the increase.

2154 Review and approve Bourne Fen Farm Accounts - Agenda Item 9

The alleviation has been left at 2.4pence, as it has been for the last 14 years. The income is covering the cost associated with a surplus of £702.

2155 To consider Period 01 Management Accounts - Agenda Item 10

Mr M Rollinson questioned how 34% of drainage rates collected in April 2023 compares to that of April 2022? The Finance Manager noted it is very similar to last year.

There were no further questions or observations.

2156 To review a report on the future arrangements of the Board - 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 1(2) of the Public Bodies (Admission to Meetings) Act 1960.

2157 Any Other Business - Agenda Item 12

(a) Consider whether unconfirmed minutes of Board and Committee Meetings should be published on the website

The Finance Manager informed the committee that this has been brought to attention from a ratepayer asking detailed questions, however, the most recent minutes are not available on the website to direct the public to, until they have been signed off at the next meeting of that committee. In the case of the Environment and Structures Committee, this is a year later. The Finance Manager therefore suggested that draft minutes are published on the website as soon as they are completed following the meeting (aiming for a two-week turnaround), marked as 'draft'. All AGREED.

It was noted that the ratepayer noted above is challenging the Board's electricity prices, as he believes they should be better. Mr J Fowler added that he has been surprised by the Board's prices from Woldmarsh.

(b) Cyber Security - Penetration Testing

At the meeting of the Audit & Risk Committee it was suggested by the insurer's that the Board may want to consider some penetration testing of the Board's networks. For an external company to undertake this is a cost of £1,750.

There is also a further option for the Board to follow the Cyber Essentials Standard (government standard that most public bodies are required to meet). This would cost £3,680 for HBP to conduct an audit, put any remedials in place and certify the Board as meeting the standard. Mr J Fowler felt that the Board already operate beyond that standard and felt the penetration testing would be sufficient. All AGREED to go ahead with the penetration testing at a cost of £1,750.

(c) Starlink Internet

Mr J Fowler recommended Starlink and that it would be more reliable and stable than the EE Dongle. However, it was noted that it doesn't load immediately. Mr P Holmes noted that he is in the process of having a new phone system through Starlink and so will be able to advise what it is like once up and running. Mr M Rollinson noted that in an emergency if the power went down the phones would be lost, the Finance Manager noted that if they lost power at Boston the Board's phones would be lost. Mr P Holmes and Mr M Rollinson suggested a back up generator. The Finance Manager noted that he will look into this option.

(d) ADA Flood and Water Networking Dinner

It was noted that current attendance at the ADA Flood and Water Networking Dinner is the Chief Executive, Finance Manager, Operations Manager, Chairman, Mr P Holmes and Mr M Rollinson. Mr M Brookes noted that he can attend. Cllr P Bedford noted that he will find out and let us know whether he can attend.

It was suggested that the Works Manager and Finance Supervisor also be asked due to them taking on more senior roles on the retirement of the Chief Executive.

(e) Board Member Induction

The Chief Executive informed the committee that a Board Member induction session will take place on the morning of the Board Meeting on 13th June and will be open to both existing and new Board Members.

(f) Visit from Minister Pow

The Chief Executive informed the committee that Minister Pow will be visiting the area, hosted by the Environment Agency, on 7th June. They will be holding a working lunch at the Board's Offices, the Chief Executive questioning who should be involved with this? It was felt that both the Chairperson and Vice-Chairperson should be in attendance.

(g) Development – The Quadrant

Cllr P Bedford questioned if there is any further progress regarding the straightening of the watercourse at the Quadrant development, noting concerns that have been raised from the football club about them not getting a further pitch.

The Finance Manager noted the discussion has been had this morning and they (developer) wants to get the realignment started as soon as possible so that it is completed out of football season.

It was noted that this is the last Executive Committee that the Chief Executive will attend before his retirement. Thanks were expressed to the Chief Executive for his work and involvement in this committee.

Mr M Brookes noted that he had believed this would be his last meeting, but has now been re-appointed on the Board. The Chairperson noted that the committee are pleased he can continue, especially as Audit & Risk Committee Chairperson, adding that it is important to have an independent Chair of the Audit & Risk Committee. Mr M Rollinson suggested that it may be appropriate to have a co-opted member as the Audit & Risk Committee Chair.

There being no further business the meeting closed at 16:37.

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