

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of a meeting of the Audit & Risk Committee

held at the offices of the Board on
29th October 2024 at 2pm

Members

Chairperson - * Mr M Leggott

Mr W Ash	* Mr T Ashton
* Mr V Barker	* Mr J Fowler
* Cllr M Geaney	Cllr Z Lane

* Member Present

In attendance: Mr D Withnall (Chief Executive)
Mrs A Chamberlain (Finance & Admin Director)
Mr M Brookes (Guest - Previous Chairperson of the Committee)
Mr T Ashton (Board Member from 01 November 2024)

2384 Recording the Meeting - Agenda Item 1

Members were informed that the meeting would be recorded.

2385 Apologies for absence - Agenda Item 2

Apologies for absence were received from Mr W Ash and Cllr Z Lane.

The Chairperson welcomed Mr M Brookes to the meeting.

2386 Declarations of Interest - Agenda Item 3

No declarations of interest were received.

2387 Minutes of the last meeting - Agenda Item 4

Minutes of the last meeting held on 30th April 2024, copies of which had been circulated, were considered and it was AGREED that they should be signed as a true record.

2388 Matters arising - Agenda Item 5

(a) Policy No. 01: Risk Management Strategy - Fluvial Flooding from failure or overtopping of defences - Minute 2308(a)

Mr V Barker referenced the Environment Agency (EA) work planned for where overtopping was encountered at Dunsby and Quadring during Storm Babet and Storm Henk?

The Chief Executive noted that the EA are about to commence work at these sites but will only be returning the banks back to the levels they were prior to the damage done during the storms. The work will be completed by contractors. If they were to raise the bank levels, this would create a liability on them (EA) and could be deemed to be negligent if it caused flooding elsewhere due to raising the banks here and creating a different low spot.

Mr V Barker noted the EA's work on the Swaton Eau where they got the levels wrong, suggesting that he believes the banks should be repaired to appropriate levels to ensure that flooding only occurs where it is designed to.

The Chief Executive agreed with Mr V Barker but noted that it is out of the Board's hands.

Mr M Brookes noted that he is on the Flood and Water Management Scrutiny Committee where this matter was raised. At this meeting, the EA stated that they had no funding for any betterment and so could only repair the banks to their original condition / level.

The Chairperson concluded that the Board are not satisfied with this but have to accept the EA's position.

(b) Policy No. 01: Risk Management Strategy - Flooding from failure of IDB pumping stations or excess rainfall - Swineshead Pumping Station - Minute 2308(a)

The Chief Executive confirmed that there is a permit to work system in place so that nobody can enter Swineshead Pumping Station without it. The locks have been changed and the only people with keys are the Pump Engineer and Pump Groundsperson. Nobody enters when the pumping station is running.

The Chairperson noted that if there is any further deterioration these measures will need to be reviewed again.

Mr V Barker noted that he has requested to view the pumping station plans but they have not yet been made available.

The Chief Executive noted that the Projects Director is not at work today but will ask him to schedule an appointment with Mr V Barker to view these.

(c) Policy No. 01: Risk Management Strategy - Risk of prosecution for not adhering to Environmental Legislation - Minute 2308(a)

The Chief Executive noted that the newly appointed Environment Officer, Emily Askew, is doing some excellent work. Adding that following the next Environment Committee meeting in Spring 2025, this committee should be in a position to consider reducing this risk.

(d) Policy No. 01: Risk Management Strategy - Risk of loss of internet connections - Minute 2308(a)

The Chief Executive confirmed that Quickline broadband has now been installed at the Board's offices with a 900Mbps upload and download speed. Since being installed, there have been no back-up failures. It is now being considered to drop one of the BT lines but keep one from a resilience point of view.

(e) Policy No. 01: Risk Management Strategy – Risk of breach in cyber security - Minute 2308(a)

Mr M Leggott questioned if the Board ever employ an external company to try and hack into the Board's systems to see how resilient it is. The Chief Executive explained that every quarter, Barclaycard try and get into the Board's system, it was tested only yesterday and passed.

(f) Policy No. 01: Risk Management Strategy – Risk of loss of Rating Records - Minute 2308(a)

The Chief Executive explained that himself and the Finance & Admin Director went to a meeting this morning to view the new Office 365 version of the current Drainage Rate System (DRS) which is currently on Microsoft Access 2003. It is going to cost approximately £10,000 to upgrade to this system and then £5,000 per annum for support for the system (currently £1,000 per annum). The support for the current software ends on 31 March 2025. Other IDBs are looking to develop their own system with a software company, but this is likely to cost a lot more than upgrading to this system. The Chief Executive is in discussion with the Chair of the Board and looking to get the agreements signed imminently.

(g) New Policy - Working around Badgers - Minute 2308(g)

The Chairperson noted that at the previous meeting it was agreed to produce a new policy on badgers. The Chief Executive confirmed that he proposes to present it to the Environment Committee due to it being environmentally driven.

Mr M Leggott questioned if there should also be a policy on water voles?

The Chief Executive noted the Biodiversity Action Plan (BAP) covers elements such as this, proposing that the Environment Officer reviews the BAP to see what policies she thinks are required and produce them for the Environment Committee if needed.

2389 To receive the Annual Return including External Auditor's Opinion for 2023/2024 - Agenda Item 6

Mr T Ashton joined the meeting.

The Annual Return including External Auditor's opinion was presented, it being noted that there were no matters to report from the external audit.

The Chairperson, and committee, expressed their thanks to all the team involved.

2390 To review tender for new Internal Auditors for the next five years - 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 1(2) of the Public Bodies (Admission to Meetings) Act 1960.

2391 To review the following Board's policies - Agenda Item 7

The Chief Executive explained that these are polices that have been identified for review and any changes have been made in red.

(a) Annual Accounts - format

The Chief Executive explained that the annual accounts are included for the committee to review their format, rather than the figures within. They were initially produced in 2009 in line with UK Generally Accepted Accounting Principles (GAAP). These principles no longer exist and so it is not a necessity to produce this document, all that is required legally is the AGAR. However, the Chief Executive believes that the annual accounts are valuable, in a format that is easy to understand and that offer suitable detail for the Board for Year End reporting.

The Chairperson agreed that it is a valuable document for transparency for Board Members to understand.

The Committee RESOLVED to recommend that the format of the annual accounts be approved at the next Board meeting.

(b) Policy No. 3: Financial Regulations

The Chief Executive noted that there are two proposed additions to this policy, that reflect practices that are already ongoing as per the Delegation of Authority and Investment Strategy. One of which the Internal Auditor advised was added into this policy.

The first proposed addition relates to the Chief Executive being able to write-off Drainage Rates up to a value of £250 and the second relates to the Board's £500,000 investment with Brewin Dolphin.

Discussion took place around Drainage Rates write offs; it being noted that there is less than £2,000 in total for this year. The write-offs are reported in the November Board meeting. It was noted that these are change in value's rather than write-offs, there has been nothing written off this year so far. One is in relation to a site of derelict glasshouses, and one is now a holiday home site (to be moved to special levy).

The Committee RESOLVED to recommend that the Financial Regulations (No. 03) be approved at the next Board meeting.

(c) Policy No. 14: Complaints Procedure

The Chief Executive noted that he is proposing to add an additional step into this policy as he felt it was escalated too quickly originally, with the first step being speaking with a machine operator and the next stage being the formal complaints form. The Chief Executive therefore proposed an in-between stage of it being addressed by a Director.

Mr M Leggott referenced Step 3 and the request for '*reference numbers, dates of correspondence etc.*,' suggesting that it should also include a request for copies of the correspondence where possible, noting an experience he recently encountered where an email he had sent had been deleted by an employee. The Chief Executive noted that they would be able to retrieve it through the system and if not, could then request it, adding that the Board don't want to be receiving excess documents unnecessarily. Cllr M Geaney suggested that it requests the type of correspondence so that Board's Officer's know whether they are looking for an email, letter, phone call etc. Alternative wording '*details of previous correspondence*' was suggested, all AGREED.

The Committee RESOLVED to recommend that the Complaints Procedure (No. 14) be approved at the next Board meeting.

(d) Policy No. 26: Young Persons Safety at Work

The Chief Executive noted this is a routine review of the policy. The proposed addition to the beginning of the policy has been taken from the HSE website to ensure the policy is compliant.

The Chief Executive noted the second proposed addition of the term '*competent*' person, the Chief Executive of the opinion that somebody should be SQEP (Suitably Qualified and Experienced Person) to carry out such work.

The Chairperson questioned how many under 16's operate machinery? The Chief Executive noted none. Mr M Leggott questioned if the Board ever has anybody on work experience? The Chief Executive noted that they have in the past, the current regulations would not allow them to operate machinery, but they could be in the vicinity of machinery.

Mr V Barker referenced office work experience? The Chief Executive confirmed that it would still be covered by this policy and would still require a specific risk assessment (which would be completed by either the Chief Executive, Projects Director or Maintenance Director).

The Committee RESOLVED to recommend that the Young Persons Safety at Work Policy (No. 26) be approved at the next Board meeting.

(e) Policy No. 40: Commercial Works

The Chief Executive explained that this policy was introduced at the same time as the Public Sector Cooperation Agreement Policy. It was designed to put some control and governance on the type and scale of work that the Board might complete. The Chief Executive noted that what has come to light is that some work that could potentially be done by the Board under the current definition wouldn't be of benefit to the Board e.g., reservoirs for ratepayers etc. and so the amended definition should give a better steer to the type of work the Board would complete.

Reference was made to the further proposed addition, which states that the Board is not obliged to complete the work just because a quote was provided. For example, a quote was provided earlier in the year, but since the achievement of the IDB Recovery Funding the Board has no capacity to complete the work. A typo was noted within this; '*...will not oblige the work*' should be '*...will not oblige the Board*'.

The Committee RESOLVED to recommend that the Commercial Works Policy (No. 40) be approved at the next Board meeting.

(f) Policy No. 44: Development Control Charges and Fees Policy

The Chief Executive noted that he has had the aid of the Projects Director to review this policy, explaining that the Floods and Water Management Act 2010, Schedule 3 requires developers to put surface urban drainage systems in place so that it will not increase the flow of water off that development above greenfield rates.

However, in England, Schedule 3 has not been enforced and therefore developers are not committed to putting those systems in place. If they choose not to put in such a system and is within the scale outlined with the policy, dependant on the run-off of water they are requesting from the development, they pay a development contribution to the Board which is put into a reserve (currently at c£500,000) which can then be used to upgrade the system in the future as required.

The current rates within this policy were set using South Holland IDB's rates in 2019/20 and have not been increased since. South Holland IDB have now moved away from this way of working. The Chief Executive therefore suggested that, to keep it simple, the current rate of £12.95/m² have either CPIH or the Penny Rate applied, as below:

	CPIH	Increase based on CPIH	Penny Rate	Increase based on Penny Rate
2019/20		£12.95		£12.95
2020/21	0.9%	£13.07	1.91%	£13.20
2021/22	1.6%	£13.28	2.49%	£13.53
2022/23	7.8%	£14.32	4.18%	£14.10
2023/24	7.8%	£15.44	27.86%	£18.02
2024/25	3.0%	£15.90	7.47%	£19.37

The Chief Executive suggested that £15.90 would be a good starting point from April 2025 and then increase annually with the Penny Rate going forward from April 2026?

Mr V Barker agreed, suggesting it should be increased sooner than 01 April 2025.

The Chief Executive suggested that anything agreed after 01 April 2025 will have the increased rate applied.

Mr T Ashton questioned if there is anything precluding the Board from applying the Penny Rate from now and starting at £19.37 from 01 April 2025? Further questioning how much more it would yield?

The Chief Executive responded that last year it was £133,000. Mr T Ashton noting that it would bring in quite a bit more if it was £19.37/m² rather than £15.90/m² from April 2025. Mr T Ashton noted that if agricultural ratepayers and councils have had the increases as per the Penny Rate and it is based on what it would cost us to upgrade the system, increasing with the Penny Rate seems more realistic. It was also noted that it could dissuade developers from not putting SuDS in.

Mr J Fowler agreed with using the higher rate (£19.37) as it should encourage the developer to put in a SuDS scheme, which is ultimately better for all.

Mr V Barker agreed, his only other note being that it should be sooner than 01 April 2025.

Mr M Brookes expressed his support for £19.37/m² from 01 April 2025.

Cllr M Geaney also agreed, providing that it doesn't have such a great impact on developers that they are no longer able to develop the houses to a desirable standard.

All AGREED to increase to £19.37/m² from 01 April 2025 and increase on an annual basis thereafter in line with the penny rate increases.

The Chairperson also referred to the consent application fees and that he believed Witham 4th IDB charged an additional processing fee? The Chief Executive noted that the fees are set within the Land Drainage Act, and he wouldn't want to deviate away from these without legal opinion.

The Committee RESOLVED to recommend that the Development Control Charges and Fees Policy (No. 44) be approved at the next Board meeting.

(g) Policy No. 45: Mobile Phones and Devices

The Chief Executive noted this is a routine review of the policy. All the Board's workforce have a Board owned device to enable the use of the lone working app (Peoplesafe). This app monitors them in relation to having a fall. The workforce also book on the app when they commence and are scheduled to finish lone working, if they don't close it on time or the alarm goes off, there is a remote monitoring centre that will try and contact the individual and if not, will start to contact the management team listed. Locations are also tracked so that assistance can be sent to help.

Most of the office employees also have a Board owned device to enable the completion of their day-to-day job i.e., emails etc.

Mr V Barker noted that he didn't realise the lone worker app had all those facilities, and what a positive upgrade it is.

The Chief Executive further noted that additional paragraph noting the illegal use of mobile phones while driving.

The Chief Executive also noted that the Board have just entered a new contract with Vodaphone (the renewal with EE was c£10,000 more expensive over the two-year contract). There are various contracts for different employees, the workforce has 2GB of data, with terms being that it can be used for personal use as long as the contract allowance is not exceeded.

The Committee RESOLVED to recommend that the Mobile Phones and Devices Policy (No. 45) be approved at the next Board meeting.

(h) New Policy: Equality, Diversity and Inclusion

The Chief Executive noted that the Board needed a policy on Equality, Diversity and Inclusion. There is also a new employment law that now puts responsibility and obligations on employers to take steps to prevent sexual harassment. Therefore, this policy is a starting point for this, and it is also planned to hold a workshop / training on it for all employees at the training day in December (along with extreme climate illness and securing loads training).

The Committee RESOLVED to recommend that the Equality, Diversity and Inclusion Policy be approved at the next Board meeting.

2392 To consider ownership of the following policies: - Agenda Item 9

(a) Policy No. 08: Relaxation of Board Byelaw No. 10 (9 metre byelaw)

It was suggested that this policy be the responsibility of the Structures committee?
All AGREED.

(b) New Policy: Policy on Piping

It was suggested that this policy be the responsibility of the Structures committee?
All AGREED.

(c) New Policy: Conservation Policy

It was suggested that this policy be the responsibility of the Environment Committee? All AGREED.

It was also suggested that the new badger policy be the responsibility of the Environment Committee and the Control of Ragwort Policy. All AGREED.

It was also noted that the Environment Officer has produced a Biosecurity Policy, which was proposed to be presented to the Environment Committee also, all AGREED.

2393 To receive the catalogue of Board Policies with recommended approval dates – Agenda Item 10

The policies due for review at the next meeting in Spring 2025 were highlighted, with it being felt that it would be beneficial to review the insurance with the NFU at this meeting.

The Committee AGREED that the Catalogue of Board Policies be adopted.

2394 To review the Risk Register - Agenda Item 11

The risks with a Risk Score of 6 were reviewed:

- *Risk 1.1(b) – Fluvial flooding from failure of overtopping of defences and Risk 1.1(c) Flooding from failure of IDB pumping stations or excess rainfall*

The Chief Executive noted that he is not confident to reduce this risk score at the moment due to no repairs carried out yet (Dunsby and Quadring banks). In relation to the four pumping stations with water running around, there is currently no repairs committed to yet. The Board is prepared and have obtained quotes etc. with a contractor that could commence work in May 2025, however, there is currently no funding available (required c£7million).

Mr T Ashton questioned if the £7million is the cost quoted from the Environment Agency (EA) or from the Board? The Chief Executive responded that Stantec have been working for the Board through the SCAPE framework who put a proposal together that was c£4million. Additional funding was since achieved to progress the scope of works and so Balfour Beatty have been brought into the project to cost for detailed works including temporary works (wasn't previously included) which is the c£7million cost. The Board have therefore now asked Stantec to produce a tender pack to go out to market as an IDB (opposed to on the SCAPE framework) to see what quotes are received in comparison.

Mr V Barker noted that he understands the water seepage is not the Board's responsibility, but highlighted that they are Board Pumping Station's at risk and so if the Board being neglectful by not doing any works? Mr V Barker continued by suggesting the Board install piles to stop the movement of water. The Chief Executive noted that that is what has been costed for (c£7million). The Chief Executive noted that it has been included as a bid in Tranche 2 of the IDB Recovery Fund but that the results of this are not due until two weeks after the Government Budget, noting he is therefore not confident that this funding will still be forthcoming. The Chief Executive noted that the Board could gain the EA's permission to carry out the work, the issue is where the funding would come from as if the cost is accurate then it is not within the financial ability of the Board to fund it.

- *Risk 1.9 Insufficient finance to carry out work*

The Chief Executive suggested that at the next meeting of the committee in Spring 2025 it might be likely that this risk can be reduced due to the recovery of monies through the IDB Recovery Fund and the work completed.

- *Risk 8.9 Loss or Rating Records*

The Chairperson suggested that this could be reduced once the new system is in place. It was noted that it should be in place by the next meeting of the committee in Spring 2025.

The committee AGREED that the Risk Register be accepted.

2395 Any Other Business - Agenda Item 12

(a) Vic Barker – Cost of hiring a bulldozer compared to the Board having our own

Mr V Barker explained that he has observed that a bulldozer has been hired in to move c500 metres of spoil from the cleansing of a drain, which took only half the day to complete. Mr V Barker referred to other potential methods of moving such material, including trailed ploughs, however, did note that this wouldn't be suitable for all cases.

Mr V Barker outlined that he believes the Board should be considering owning their own bulldozer (of a smaller size than what was hired in) so that it can be moved by the Board's own transport.

Mr V Barker noted his concern around the expense of this.

The Chief Executive explained that so far this year, the bulldozer has been hired for five days at a rate of £540 per day (can only be hired on a day rate) + £280 per move (Board can't move it).

The Chief Executive continued that for a suitable bulldozer for the Board's work, second hand and well used, it would cost in the region of £105,000, for a second-hand machine in better order would be in the region of £150,000. The Board currently have no employees qualified to operate it and so would need to send an employee/s for training to gain the required qualification.

There are also the additional maintenance costs to consider (for a machine that would have only been used for five days this year).

The Board would also not be capable of moving it and so there would be the additional cost associated with Witham 4th IDB moving it with their HGV.

Mr V Barker expressed that the Chief Executive is thinking of a different machine to what he has in mind as he believes the Board would be able to move it with the Unimog. The Chief Executive believed it would be too heavy.

The Chief Executive continued that the average spent on the hire of this machine including transport costs etc. over a five-year period is £6,684 per year. The Chief Executive therefore concluded that with the purchase cost and maintenance costs of owning the machine, it would not be value for money for the little work the Board has for it.

Mr V Barker noted again other potential ways of moving soil, including with a tractor and plough.

Mr T Ashton questioned the weight limit of the trailer? It was noted that the gross vehicle weight is 32.5 tonne. Mr T Ashton continued that there are very few small bulldozers manufactured now and noted his concern about buying a second-hand bulldozer when they are worked so hard for their entire careers. Further adding that it would be different if the Board were doing a major project and it changed the calculations to make it justified and could possibly do work for other IDBs to make it worth it, but currently the figures don't justify the Board purchasing their own.

The Chairperson added that even if the Board could do work for other IDBs it still wouldn't be enough to warrant the Board purchasing one and sometimes it is beneficial to hire a modern machine as opposed to having an old one sat in the depot barely used.

The Chairperson thanked Mr V Barker for bringing it to the attention of the committee, but based on the figures, it would not be value for money. Mr V Barker thanked the committee for discussing it.

(b) Vic Barker – Benefit of keeping an older excavator rather than trading in and then paying to hire

Mr V Barker noted that he has also observed an extra hired excavator, that wasn't doing that much work (only worked when a driver came off their machine to operate this hired machine) and was also running on white diesel. Mr V Barker therefore suggested that it should be considered that when one of the Board's small excavator's is due for replacement, it be kept as a reserve machine (provided nothing is majorly wrong with it).

Mr V Barker noted his concern around the expense of this.

The Chief Executive noted that the excavator currently at Gosberton Dump area is only there to load the soil for the slip repairs being completed through the IDB Recovery Funding which is a one-off situation.

It was further added than an extra excavator with driver is hired for twelve weeks during cutting season every year, which runs on red diesel.

Mr V Barker acknowledged this.

(c) Thanks to Mr M Brookes

The Chairperson thanked Mr M Brookes for chairing this committee so successfully for the past twelve years.

There being no further business the meeting closed at 15:19.