

BLACK SLUICE INTERNAL DRAINAGE BOARD

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Our Ref: IMW/DPW/B10_1

Your Ref:

Date: 14th October 2015

To the Chairman and Members of the Executive Committee

Notice is hereby given that a Meeting of the Executive Committee will be held at the Offices of the Board on Wednesday, 21st October 2015 at **11am** at which your attendance is requested.



Chief Executive

AGENDA

1. Apologies for absence.
2. To receive and if correct sign the Minutes of the Executive Meeting held on 3rd June 2015 (**pages 1 - 8**).
3. Matters Arising.
4. Period 6 Management Accounts & Forecast (**pages 9 - 12**).
5. Ten Year Estimates (**page 13**).
6. Eight Year Plant Estimates (**page 14**).
7. Insurance Arrangements (**page 15 - 16**).
8. Verbal update on EA Black Sluice Catchment Public Consultation.
9. CONFIDENTIAL - Review of 2016 Salaries (a pink paper will be emailed to the Committee Members on Friday 16th October 2015).
10. Any Other Business.

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of a meeting of the Executive Committee

held at the Offices of the Board on
3rd June 2015 at 2pm

Members

Chairman - * Mr M J Scott

* Cllr P Bedford	* Cllr M Brookes
* Mr R Leggott	* Mr K C Casswell
* Mr J R Wray	

* Member Present

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

752 APOLOGIES FOR ABSENCE

There were no apologies for absence.

753 DECLARATIONS OF INTEREST

There were no declarations of interest in addition to those already declared.

754 MINUTES OF THE LAST MEETING

Minutes of the last meeting held on 14th January 2015, copies of which had been circulated, were considered and it was agreed that they should be signed as a true record.

755 MATTERS ARISING

(a) Black Sluice Strategy - Minute No 672b

The Finance Manager updated the Committee on the monies received for the recovery of the Wyberton Catchment following the December 2013 Tidal Surge as below.

FDGiA	£464,000
Bellwin	£ 41,000
Slippery Gowt (EA)	£ 19,000
Development Fund	£ 90,000

TOTAL **£614,000**

(b) Rechargeable Works - Minute No 672c

Profit of approx £40,000 resulting from the Calders and Grandidge works and this profit will fall into this year as the works staggered the year end.

(c) EA Asset Transfer - Minute No 672e

The Chief Executive informed the committee that at the last Boston Barrier meeting Lincolnshire County Council introduced themselves as a partner in the Black Sluice catchment scheme, mainly due to the Fens Water Way Link. We are trying to set up a meeting with Lincolnshire County Council and will discuss with the Board Chairman when a date is set to see who he wants to be involved.

The Chairman expressed that this seemed to be a great development and could make taking over the Black Sluice Pumping Station more viable.

The Chief Executive introduced a related communication from an Environment Agency Officer detailing some main rivers that the Environment Agency are considering de-maining in and around our area and have approached the Board asking if we want to put these rivers on to our own maintenance schedule. This matter was discussed at the Lincolnshire Clerks Society earlier this week and it was discovered that most Board's in Lincolnshire and North Lincolnshire have had similar approaches. It was decided to go back to the Environment Agency with one response with an overall map being produced with costs relating to getting the proposed drains up to IDB standards and the estimated annual maintenance costs.

Matt Warman MP has requested the figures to get them to IDB standard so that he can lobby the other Lincolnshire MP's. If he can't arrange a meeting locally he would invite the Chairman and CEO's to London.

The Chairman felt that this approach has brought the issue to the forefront and raises the question if we should review our own systems and look if watercourses only serving one occupier should be returned to riparian ownership.

(d) Plant Account Proposals - Minute No 675

The Claas Tractor has been sold for £25,000 with the Grenadier Attachment and the oldest cutting bucket for £1,500

(e) Development Consent Fee Account- Minute No 676

The Chief Executive informed the Committee that funding for the Wyberton Roads Culvert will now be required from the Development Fund with estimated costs revised to £90,000.

755 (e) Cont.....

The Finance Manager informed the Committee that the balance of the Development Fee Account was currently £142,000 and the Committee AGREED the proposal.

(f) Human Resources - Minute No 678

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.

(g) 2015/16 Objectives - Minute No 679

The Chief Executive informed the Committee that the 2015/16 Objectives have not yet been published on the website but this will be rectified shortly.

(h) ADA White Book - Minute No 680d

The Chairman asked for an update on the negotiations with the unions. The Chief Executive informed the Committee that the union had declined the offer of 1%. Despite the employers side attempting to arrange a meeting the union wanted to originally delay the meeting until after the election and now delay it further until after the budget on 8th July 2015.

Mr Leggott enquired if we would be putting men on standby over the holiday periods in future following the refusal to do it based on the amounts paid. The Chief Executive replied that we would not be doing this as following investigations it appears Black Sluice IDB were the only local Board still doing this and when the men were called in over the Christmas 2014 period they still volunteered.

(i) Drainage Rate Brochure- Minute No 680b

The Finance Manager informed the Committee that he had left a copy of the leaflet sent out with this year's drainage rate demands for the non-ratepayers of the Committee.

756 UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2015 - Agenda Item 5

The Finance Manager presented the unaudited accounts of the Board for the year ended 31st March 2015 and highlighted the following points.

- The Annual Governance Statement on page 6 of the accounts had a very small adjustment highlighted by red text to replicate the same report in the Annual Return which is subject to the limited assurance audit.

- The Accounting Policies had been amended on page 8 at paragraph 2 of the fixed assets section to reflect the fact that the Office on Carlton Road, Boston had now been sold and therefore would not be subject to re-valuation every five years.
- On the Income and Expenditure Account the DEFRA Grants income has increased by £336,000 with the majority of the income being attributed to the Wyberton Catchment improvements as detailed in note 2. The smaller income amounts are to engage consultants and commission studies for applications for grants in future years.
- Included in Sundry Income is the £200,000 income relating to the sale of the Carlton Road Offices and in addition points of note include £1,500 received for employing an apprentice, £1,900 income from the Depot Solar Panels, from 1st August only, and £2,000 income from the Swineshead Pumping Station Solar panels
- Income from Rechargeable works has decreased by £85,000. A large damming and pumping operation for the value of £84,000 was included for May Gurney whilst they constructed a Railway bridge in 2013/14.
- Asset Refurbishment expenditure had increased by £308,000 compared to the previous year and this included expenditure installing solar panels on the Depot Roof. This is attributed in the main to the additional £336,000 received in DEFRA Grants.
- Drain Maintenance finished the year £56,000 less than the previous year.
- Pumping Station Maintenance came in just below budget at the end of the year due to a dry final quarter of the year.
- Administration costs were down £7,000 compared to the previous year.
- Depot costs were £20,000 higher than in 2013/14 which is attributable to the approximate £20,000 spent on the new store rooms and mezzanine flooring.
- Included in establishment charges is £9,310 for expenses relating to the Carlton Road Offices, whilst they were empty, prior to being sold.
- On the Balance Sheet it was noted that there was a reduction of £211,000 with £200,000 relating to the sale of the Carlton Road Offices.
- Cash at bank and in hand was £382,000 greater than the previous year and this is due to the Environment Agency paying out all the claims relating to 2014/15 with work continuing into the new financial year.

The Chairman expressed his surprise in the £345,000 increase in the Pension Liability as from his experience of other pension schemes these liabilities were now starting to decrease as a result of improved Gilt rates and a more buoyant investment market.

757 INTERNAL AUDIT REPORT - Agenda Item 6

The Chairman highlighted that we had received a Substantial Assurance rating for the second year with no management plan being required.

758 BOURNE FEN ACCOUNTS - Agenda Item 7

The Chairman reminded the Committee that the alleviation rate was the same as previous years and highlighted the value of the fund at £324,373

The Committee agreed that David Gowing, the internal auditor should be asked to review these accounts on his next visit.

All the Committee members were happy with the split of the investments

759 INTERNAL AUDIT STRATEGY - Agenda Item 8

The Audit Strategy was reviewed by the Committee and it was AGREED that the proposal would meet the requirements of the Board.

The Finance Manager informed the Committee that the Audit & Risk Committee now have a part of their meeting once a year without any officers present where they can discuss matters with the Internal Auditor. Arising from this was for him to review Network and Cyber security.

760 PERIOD 1 MANAGEMENT ACCOUNTS - Agenda Item 9

The Period 1 management accounts were reviewed and the Finance Manager apologised for a mistake in the current period figures as the Pumping Station electricity costs had been included twice. The Year to Date figures are the correct figures.

Mr Leggott asked some questions in relation to the Income and Expenditure by Nominal accounts with responses as follows:

- The Drainage Rates are showing £58,000 less than the previous year in the same period due to the demands going out later this year as Easter was at the very beginning of April. This will be less obvious as the month's progress.
- The differences in the Miscellaneous section relate to the reversing journals at year end for Contractors invoices outstanding at year end still not paid and Crop Loss identified but not yet claimed and paid.
- Recharges are substantially less due to having two men on long term sick following an accident in the Boards Tipper truck and a further employee sick due to a change in Cardiac medication.

761 PUMPING STATION VALUATIONS - Agenda Item 10

The Chief Executive informed the committee that he had sought input from other Boards and it has revealed that IDB's generally exclude the sub structures of the pumping stations and some even exclude the pumps.

It would appear that Black Sluice IDB are the only Board that insures the entire asset. The worse-case scenario they can envisage is if a plane flies into a pumping station then they would claim off their insurance.

Direction is required from the committee and maybe the Board on how we want to proceed and we need to agree what element of our Pumping Stations we are going to insure.

The Chairman stated that the issue as he sees it is, it is very easy to pay the extra £10k but he thinks it is wrong as the chance of a Pumping Station being completely destroyed is very unlikely to happen. Now the underwriters have the figures there is a risk that we could be averaged on any claim on the assumption we are self insuring. It has been estimated that taking the Substructure out of the calculations would reduce the £58m by about £17m. If we were to do this we would need to make sure that the underwriters understood what we were actually insuring.

The Chief Executive gave the opinion that there is a chance that a tidal surge could take out the Wyberton and Kirton Marsh sub-structures as they are on the tidal river and in a raised embankment.

NFU, as our brokers, have asked the underwriters to consider insuring on a "First Loss" basis and they responded to inform us that when rating they are considering only one pumping station being taken out in any one year so there would not be any savings.

The Committee AGREED to recommend to the Board to just insure the two Pumping Stations on the Haven for full and take the risk on the others with the sub-structures not being insured and this being specified. The Chief Executive is to request a quotation from NFU on this basis.

762 VOSA LICENSING - Agenda Item 11

A VOSA Traffic Examiner could not see any reason why the use of the Board's Tractors by the Board would not fall under agricultural use, as to transport the tractor on a low loader to site would be impractical. At the same time he stated if you were stopped on the road and explained the nature of your business as protecting agricultural land from flooding, then there would be no reason to doubt the agricultural use of the vehicle.

The Committee AGREED to amend the use of Tractors, Excavators and the Teleporter from General Haulage to Agricultural Use. Further investigation into the use of the Unimog as an Agricultural vehicle is ongoing.

(a) Commercial Business Rates

The Finance Manager referred to the email sent to all Committee members in relation to commercial rates as copied below.

"Boston Borough Council have discovered that they had not completed the work required to sign off the extension to our HQ building at Swineshead which then sparks a revaluation, by the Valuation Office, for the purposes of Business Rates.

I suspect they are in a state of flux as from the 1st April 2016 they will not be allowed to back date any claims further than 1st April 2015. For Ratepayers appealing their valuation this is already the case.

The valuation has now been processed and we have checked and agree with the values but this has resulted in significant sums being invoiced by Boston Borough Council that were not included in the budget. The valuation is based on the Square meterage of the building with each category being given a different rating value. i.e. Offices (£40.92/m²), Store (£29.47/ m²), mezzanine (£15.50/ m²) etc.

For the Extension and new offices the rateable value has increased from £39,750 to £51,500 and the following invoices have been issued;

- 2012/13 = £5,160.34
- 2013/14 = £5,534.25
- 2014/15 = £5,663.50
- 2015/16 = £5,989.50
- **Total = £22,347.59**

Further to that the Mezzanine flooring and additional storage rooms have now been completed and they have also increased the Rating Valuation from £51,500 above to £53,000 and we have received the following invoices not included in the budget;

- 2014/15 = £ 11.88
- 2015/16 = £ 739.50
- Total = £ 751.38

Total amount not included in budget = £23,098.97

In comparison 2014/15's original bill for Carlton Road was £9519.50 compared to an uplift of £5663.50."

The Committee reluctantly accepted that these costs would have to be included in this year's accounts as the officers had investigated and included the valuations and the backdating of the charges to be correct.

(b) Matt Warman MP

Matt Warman MP would like us to arrange an inspection of the Board's area to allow him to get an understanding of what an Internal Drainage Board does.

(c) New Members Induction Day

The Chairman informed the Committee that a new member's induction day is currently being arranged.

763 Cont.....

(d) Election

It is generally understood that all but Mr M Scott will be re-standing for election on 30th October 2015. A Nominations Committee is to meet after this meeting.

There being no further business the meeting closed at 15:25.

Black Sluice Internal Drainage Board
Project Summary
2015/16

Period 06 - September 2015

	2015/16 Current Period	2015/16 Actual YTD	2015/16 Budget	Actual / Budget Variance	2015/16 Forecast	Actual / Forecast Variance	2014/15 Actual YTD	2014/15 Variance
Rates & Levies	41,860	1,502,585	1,459,138	43,447	1,518,518	(15,933)	1,484,539	18,046
Interest & Grants	623	20,281	2,502	17,779	19,743	538	5,082	15,199
Other Income	1,633	18,979	15,746	3,233	16,906	2,073	213,573	(194,593)
Rechargeable Profit	4,758	43,282	0	43,282	0	43,282	11,307	31,976
Total Income	48,874	1,585,128	1,477,386	107,742	1,555,167	29,961	1,714,500	(129,372)
Schemes	(67,388)	105,956	95,000	(10,956)	35,720	(70,236)	80,979	(24,977)
Pumping Station Schemes	8,393	24,749	36,000	11,251	43,065	18,316	56,880	32,131
Pumping Station Maintenance	14,305	90,360	149,783	16,352	136,966	3,535	99,745	2,738
Electricity	7,325	43,071					36,425	6,952
Drain Maintenance	97,994	278,724	315,603	36,879	272,592	(6,132)	323,484	44,760
Environmental Schemes	4	3,431	19,080	15,649	14,376	10,945	7,800	4,369
Administration & Establishment	34,598	244,974	217,650	(27,324)	241,521	(3,453)	260,280	15,306
EA Precept	0	138,276	138,276	0	138,276	0	138,276	0
Total Expenditure	95,231	929,540	971,392	41,852	882,516	(47,024)	1,003,868	81,280
Surplus / (Deficit)	(46,357)	655,588	505,994	149,594	672,651	(17,063)	710,632	(55,044)
Movement on reserves								
Development Reserve	0	0	0	0	0	0	0	0
Plant Reserve	(26,938)	(89,682)	(52,329)	37,353	(52,329)	37,353	(54,465)	35,217
Wages oncost Reserve	(17,542)	18,433	0	(18,433)	0	(18,433)	(3,640)	(22,073)
Surplus / (Deficit)	(1,377)	726,836	558,323	130,675	724,980	(35,982)	768,736	(68,188)

Black Sluice Internal Drainage Board

Income & Expenditure Summary

2015/16

Period 06 - September 2015

	2015/16	2014/15	Variance
Drainage Rates	1,008,465	998,800	9,666
Special Levies	494,120	485,740	8,380
Recoverable	99,792	41,560	58,231
Misc Income	40,175	219,177	(179,001)
	1,642,553	1,745,277	(102,724)
Employment Costs	471,955	448,138	(23,817)
Property	102,802	81,923	(20,879)
General Expenses	100,370	77,044	(23,327)
Materials / Stock	51,649	29,582	(22,067)
Motor & Plant	72,752	132,705	59,953
Miscellaneous	520,213	192,060	(328,153)
Recharges	(610,050)	(187,710)	422,340
Plant	206,025	202,798	(3,227)
Total Expenditure	915,716	976,540	60,824
Net Surplus / (Deficit)	726,836	768,737	(41,900)

Black Sluice Internal Drainage Board

Balance Sheet at Period End

2015/16

Period 06 - September 2015

	<u>2015/16</u>		<u>2014/15</u>	
	£	£	£	£
Operational Land & Buildings Cost	737,739		937,739	
Pumping Stations Cost	3,861,354		3,861,354	
Non-operational Property Cost	90,000		90,000	
Vehicles, Plant & Machinery Cost	600,990		496,675	
Fixed Assets		5,290,083		5,385,768
Stock	32,357		19,480	
Debtors Cont	15,722		14,821	
VAT	13,170		77,916	
Grants Debtor	(27,740)		(14,297)	
Car Loans	6,940		0	
Prepayments	18,182		41,890	
Draw Acc	(33,591)		9,925	
Call Acc	310,000		315,004	
Petty Cash	445		430	
Rechargeable Work in Progress	38,698		(20,859)	
Natwest Government Procurement C	(833)		(481)	
Reserve Account	1,270,944		975,971	
Total Current Assets		1,644,294		1,419,799
Trade Creditors	(11,781)		(14,297)	
PAYE & NI Control Account	(15,150)		(15,745)	
Superannuation Contrl Account	(14,987)		6,412	
Union Subs Control Account	(135)		(121)	
AVC Control Account	(50)		(50)	
Accruals	(43,173)		(10,000)	
Attachment Orders Control Account	0		0	
Suspense	0		0	
Total Liabilities		(85,277)		(33,800)
Pension Liability		(3,264,000)		(2,919,000)
		3,585,100		3,852,768
Capital Outlay	5,080,536		5,291,278	
Pension Reserve	(3,264,000)		(2,919,000)	
Total Capital		1,816,536		2,372,278
General Reserve	669,501		344,335	
Development Reserve	142,316		146,100	
Plant Reserve	181,585		119,275	
Wage On-Cost Reserve	48,327		102,043	
Surplus/Deficit in Period	726,836		768,737	
Total Reserves		1,768,564		1,480,490
		3,585,100	0	3,852,768
<u>Cash & Bank Balances</u>				
Drawings Account		(33,591)		
Call Account		10,000	310,000	
Natwest Reserve Account @ 0.15%		1,270,944		
Petty Cash		445		
Chargcard		(833)		
Monmouthshire BS @ 1.25%		300,000	30 Day Notice	
		1,546,965		

Black Sluice Internal Drainage Board

2015/16 Forecast

Description	2015/16		2015/16		Q1		Q2		Q3		Q4	
	Budget	Forecast	Forecast	Difference	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Rates & Levies	2,031,497	2,029,121	2,029,121	(2,376)	1,216,246	286,339	526,536	0	526,536	0	526,536	0
Interest & Grants	5,004	5,733	5,733	729	18,493	1,788	23,251	(37,799)	23,251	(37,799)	23,251	(37,799)
Development Fund	5,000	5,000	5,000	0	0	0	0	5,000	0	5,000	0	5,000
Other Income	24,846	28,079	28,079	3,233	10,554	8,425	6,630	2,470	6,630	2,470	6,630	2,470
Rechargeable Profit	0	43,282	43,282	43,282	34,880	8,402	0	0	0	0	0	0
Total Income	2,066,347	2,111,216	2,111,216	44,869	1,280,173	304,955	556,417	(30,329)	556,417	(30,329)	556,417	(30,329)
Schemes	115,000	115,721	115,721	(721)	65,120	40,836	(70,940)	80,705	(70,940)	80,705	(70,940)	80,705
Pumping Station Schemes	100,000	98,628	98,628	1,372	16,355	8,393	9,879	64,000	8,393	9,879	64,000	64,000
Pumping Station Maintenance	369,995	369,677	369,677	318	66,600	62,533	86,404	154,140	62,533	86,404	154,140	154,140
Drain Maintenance	687,998	688,119	688,119	(121)	49,406	229,318	236,587	172,808	229,318	236,587	172,808	172,808
Environmental Schemes	30,006	29,357	29,357	649	2,482	949	12,156	13,770	2,482	949	12,156	13,770
Administration & Establishment	465,203	488,527	488,527	(23,324)	130,737	114,237	109,299	134,254	130,737	109,299	134,254	134,254
EA Precept	276,552	276,552	276,552	0	138,276	0	138,276	0	138,276	0	138,276	0
Total Expenditure	2,044,754	2,066,579	2,066,579	(21,825)	468,977	456,265	521,661	619,677	456,265	521,661	619,677	619,677
Surplus / Deficit	21,593	44,636	44,636	23,043	811,196	(151,310)	34,756	(650,006)	(151,310)	34,756	(650,006)	(650,006)

Revenue Reserve b/f 313,581
Revenue Reserve c/f 335,174
% of Expenditure 16.39%

Hand Roding	25,000	0	0	25,000	0	0	0	0	0	0	0	0
Excavator	230,000	389,396	389,396	(159,396)	10,519	222,775	156,090	12	156,090	12	156,090	12
Grenadier	19,500	0	0	19,500	0	0	0	0	0	0	0	0
Flail Mowing	102,500	0	0	102,500	0	0	0	0	0	0	0	0
RHM	25,000	0	0	25,000	0	0	0	0	0	0	0	0
RMM	200,000	248,987	248,987	(48,987)	37,852	6,084	76,300	128,750	37,852	6,084	76,300	128,750
Chemical	2,000	122	122	1,878	0	122	0	0	0	122	0	0
Bushing	48,000	48,114	48,114	(114)	1,035	336	4,197	42,546	1,035	336	4,197	42,546
Pest Cont	2,000	0	0	2,000	0	0	0	0	0	0	0	0
Jetting	6,000	1,500	1,500	4,500	0	0	0	1,500	0	0	0	1,500
Surplus / Deficit	660,000	688,119	688,119	(28,119)	49,406	229,318	236,587	172,808	(28,119)	49,406	229,318	172,808

BLACK SLUICE INTERNAL DRAINAGE BOARD

2016/17 Budget and 10 Year Estimates

1st Draft

Income	Actual 2014/15	Budget 2015/16	Forecast @ P06 2015/16	Budget / Estimates									
				2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Total Income from Rates and Levies	1,994,799	2,026,625	2,029,121	2,062,350	2,098,076	2,135,426	2,172,775	2,211,749	2,250,722	2,289,696	2,330,293	2,370,891	2,413,112
Interest	4,525	5,000	5,733	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095
Flood Defence Grant in Aid	574,000												
Contribution Development Fund	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other Income	237,414	22,645	28,079	23,098	23,560	24,031	24,512	25,002	25,502	26,012	26,532	27,063	27,604
Rechargeable Profit	22,187		43,282										
TOTAL INCOME	2,837,925	2,059,270	2,111,216	2,095,548	2,131,838	2,169,763	2,207,699	2,247,271	2,286,855	2,326,451	2,367,684	2,408,929	2,451,811

Expenditure	Actual 2014/15	Budget 2015/16	Forecast @ P06 2015/16	Budget / Estimates									
				2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Drain Schemes	566,319	115,000	115,721	115,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Pumping Station Schemes	188,046	100,000	98,628	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Pumping Station Maintenance	206,142	370,000	369,677	377,070	384,612	392,304	400,150	408,153	416,316	424,642	433,135	441,798	450,634
Electricity	117,547												
Drain Maintenance	623,522	688,000	688,119	701,881	715,919	730,237	744,842	759,739	774,934	790,432	806,241	822,366	838,813
Environmental Works	15,797	30,000	29,357	29,944	30,543	31,153	31,777	32,412	33,060	33,722	34,396	35,084	35,786
Administration & Establishment	518,835	465,200	488,527	477,897	487,455	497,204	507,148	517,291	527,637	538,190	548,954	559,933	571,131
EA Precept	276,552	276,552	276,552	282,083	287,725	293,479	299,349	305,336	311,442	317,671	324,025	330,505	337,115
TOTAL EXPENDITURE	2,512,760	2,044,752	2,066,579	2,083,875	2,141,253	2,179,378	2,218,266	2,257,931	2,298,390	2,339,657	2,381,750	2,424,685	2,468,479

SURPLUS / (DEFICIT) IN YEAR	325,165	14,518	44,636	11,672	(9,415)	(9,615)	(10,567)	(10,660)	(11,535)	(13,206)	(14,067)	(15,756)	(16,668)
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OPENING BALANCE	344,335	669,500	669,500	714,136	725,809	716,394	706,779	696,212	685,552	674,018	660,812	646,745	630,989
CLOSING BALANCE	669,500	684,018	714,136	725,809	716,394	706,779	696,212	685,552	674,018	660,812	646,745	630,989	614,321
Reserve % of Expenditure	26.64%	33.45%	34.56%	34.83%	33.46%	32.43%	31.39%	30.36%	29.33%	28.24%	27.15%	26.02%	24.89%

RATE	12.30	12.48	12.48	12.70	12.92	13.15	13.38	13.62	13.86	14.10	14.35	14.60	14.86
Increase in Rates		1.46%	1.46%	1.76%	1.73%	1.78%	1.75%	1.79%	1.76%	1.73%	1.77%	1.74%	1.78%

**BLACK SLUICE INTERNAL DRAINAGE BOARD
EXECUTIVE MEETING - 21st OCTOBER 2015
AGENDA ITEM 6
EIGHT YEAR PLANT ESTIMATES**

	Year Purchased	Age	Replace Year	Cost	Trade in	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2022/23
Brought Forward														
Twiga SPV2 (No.3)	2006	9 years	2016/17	£185,000	£18,000		£108,358	£2,858	£16,858	£40,858	£9,858	£18,858	£63,858	£62,858
Twiga SPV2 (No.2)	2006	9 years	2015/16	£174,800	£26,500	£148,300	£167,000							
Energreen (No.1)	2011	8 years	2019/20	£175,000	£50,000			£125,000						
JCB 220	2007	9 years	2016/17	£110,000	£28,000		£82,000							
Unimog	2009	8 years	2017/18	£150,000	£40,000			£110,000						
JCB 130	2009	9 years	2020/21	£93,000	£18,000				£90,000		£75,000			
JCB 160	2010	8 years	2018/19	£110,000	£20,000									
JCB 145	2013	8 years	2021/22	£98,000	£19,000							£79,000		
JCB 130	2014	8 years	2022/23	£102,000	£17,000								£85,000	
JCB 531 Tele-handler	2012	10 years	2022/23	£55,000	£15,000								£40,000	
Nissan Navarra (Ops Manager)	2011/12	4 years	2015/16	£23,000	£10,000	£12,067								
Nissan Navarra (Ops Supervisor)	2011/12	4 years	2015/16	£21,000	£10,000	£8,680								
Nissan Navarra (Assit Pump Eng)	2011/12	4 years	2015/16	£21,000	£10,000	£8,680								
Vauxhall (Fitter)	2012/13	6 years	2018/19	£27,000	£9,000				£18,000					
Nissan (Ops Manager)	2015/16	4 years	2019/20	£24,000	£11,000					£13,000				
Nissan (Ops Supervisor)	2015/16	4 years	2019/20	£21,000	£10,000					£11,000				
Nissan (Pump Eng)	2015/16	4 years	2019/20	£21,000	£10,000					£11,000				
Vauxhall Tipper	2012/13	8 years	2020/21	£25,000	£8,000						£17,000			
Dump Trailer 1	2006	10 years	2023/24	£20,000										
Dump Trailer 2	2007	10 years	2015/16	£5,000			-£4,500							
Jetter	2008	10 years	2015/16	£8,000										
Low Loader Trailer	2004	16 years	2020/21	£27,000	£4,000						£23,000			
100mm Self priming Pump			2015/16	£15,000				£15,000						
Vibrating piling hammer			2017/18	£15,000										
150mm Portable Pump	2006													
Compressor	2008	15 years	2023/24	£6,000										
Weedbaskets														
Fuel Tanks														
Net Spend from Plant Reserve														
Generated														
Balance C/F														

BLACK SLUICE INTERNAL DRAINAGE BOARD

Executive Committee – 21st October 2015

AGENDA ITEM No 7

Insurance Renewal

The insurance was last renewed on 1st May 2014 with the NFU Mutual on a five year long term undertaking. As part of this process it was agreed that a change in renewal date would be in both parties interest and this was implemented by extending the first year's policy by five months to 30th September 2015.

At the renewal meeting in 2014 Phil Ingleby, Our Broker from NFU Mutual, raised concerns that our pumping stations may be considerably under insured. The Board agreed to seek professional valuations and Jackson Civil Engineering were contracted to produce these on a rebuild basis.

The resulting value from this work was £58,533,633 and we had only declared a value of £15,695,000. (27% of the new value). The effect of this would be that if there was a total loss claim at Swineshead PS with a rebuild cost of £2,427,324 then NFU would pay out £655,377 and the Board would be left to find the balance of £1,771,947. This was clearly an unacceptable risk.

Following discussions with NFU Mutual regarding these valuations the loss adjusters were informed and NFU issued an invoice for additional premium of £10,574 for the remaining five months of cover relating to the new valuations. This equated to an annual premium of £25,377. We were instructed not to pay this invoice and the Executive Committee instructed us to proceed on the basis of not insuring the sub-structures of the pumping stations with the exception of Wyberton Marsh and Kirton Marsh Pumping Stations as they were at risk if there was a tidal inundation.

For the 30th September renewal it was felt it would be prudent to seek an alternative quote for our insurance to compare the impact of the change in valuations. As other Board's had a similar arrangement relating to pumping stations as we were proposing it was decided that this should be Towergate. The Chief Executive has worked his way through Jackson Civil Engineers papers removing the Substructure costs and the revised value is £35,592,168.

After initial indications that Towergate insurance was going to be substantially more competitive that NFU Mutual The Executive Committee, by email, instructed the Finance Manager to proceed to finalise arrangements with Towergate insurance and transfer our cover to them. This was concluded on September 29th and cover was in place by midnight on 30th September 2015. Cover is like for like and we will work with Towergate over the coming months to ensure that all the required paperwork is complete and we are comfortable with the cover being provided. Details of the quote and comparison to NFU Mutual is shown in the table below.

Black Sluice IDB

Insurance Comparison

Renewal 30th September 2015

	NFU 2014	NFU	Towergate
<u>Motor Fleet</u>			
Light Goods Vehicles	2059.71	1538.19	10298.30
Commercial Vehicle	1148.87	2010.05	
Special Types	2637.62	3535.27	
	£5,846.20	£7,083.51	£10,298.30
<u>Commercial Select</u>			
Contractors Plant/Hired in Plant	27029.95	49281.12	17050.00
Engineering Inspection	7764.75	8002.75	4100.00
Engineering S&UD inc Breakdown			3180.00
	£34,794.70	£57,283.87	£26,824.25
<u>Professional Indemnity</u>			
<u>Directors & Officers Liability</u>	1484.00	1398.64	1640.00
	1696.00	1599.74	800.00
<u>TOTAL PREMIUM</u>	£43,820.90	£67,365.76	£39,562.55