

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of a meeting of the Executive Committee

held at the Offices of the Board on
2nd November 2021 at 2pm

Members

Chairman - * 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)

1874 RECORDING THE MEETING - Agenda Item 1

Committee members were informed that the meeting would be recorded.

1875 APOLOGIES FOR ABSENCE - Agenda Item 2

Apologies were received from Mr J Fowler.

1876 DECLARATIONS OF INTEREST - Agenda Item 3

No declarations of interest were received.

1877 MINUTES OF THE LAST MEETING - Agenda Item 4

Minutes of the last meeting held on 29th September 2021, copies of which had been circulated, were considered and it was AGREED that they should be signed as a true record.

1878 CONFIDENTIAL MINUTES OF THE LAST MEETING - Agenda Item 5

Confidential Minutes of the last meeting held on 29th September 2021, copies of which had been circulated, were considered and it was AGREED that they should be signed as a true record.

1879 MATTERS ARISING - Agenda Item 6

(a) SOUTH LINCS WATER PARTNERSHIP (SLWP)– Minute 1855(b)

The Chief Executive informed the committee that there is a lot of work going on, with the focus currently on identifying a single site for February 2022 for the South Lincolnshire Reservoir (SLR). The Chairman noted the concern of hearsay around farmers and the potential location of the reservoir.

The Chief Executive noted that a group called the 'South Lincolnshire Farming Group' has obtained funding from Water Resources East (WRE) as part of the SLWP and its first meeting is to be held this Friday, 5th November. The group is made up of Farming and advisory members which Black Sluice IDB are part of.

(b) 2021/22 CAPITAL SCHEMES BUDGET – RED DIESEL – Minute 1857(a)

Mr P Holmes referred to the increase of £46,000 as result of no longer being able to use red diesel. Mr P Holmes has spoken with a supplier, who noted that the difference between red diesel and diesel engine road vehicle (DERV / white diesel) is 46 pence. Therefore, an increase of £46,000 would indicate that the Board use 100,000 litres of red diesel, questioning if this is correct?

The Chief Executive responded that the Board use more than 100,000 litres per year. The Finance Manager noted that in 2020 91,667.97 litres was used for drain maintenance and in total have used 140,133 litres. However, noted that some of this will be rechargeable to the Environment Agency (EA) for their works. Therefore, it will only be an increased cost of £46,000 to the Board.

The Chairman noted that ADA have not given up this fight, noting that there is a lot of resistance from some IDBs. Cllr P Bedford added that Lord Porter is in the press today announcing that South Holland District Council Tax will have to rise significantly, one of the main reasons being because IDBs increase in cost now not being able to use red diesel.

The Chairman noted the concern around the potential increase in diesel being stolen in machines left out on site when it is white diesel.

(c) 2022/23 PLANT BUDGET – Minute 1857(b)

The Chief Executive referred to the proposed draft plant accounts to be produced on a 5 year replacement cycle based on purchasing outright or lease agreements for the committee to review.

The Chief Executive noted that work has commenced on this, and discussion taken place with excavator suppliers. Realistically, because of the lease purchase interest rates, purchasing outright with a five year warranty is favourable. JCB, Hitachi and Volvo are being contacted and the new proposed plant budget will, if available in time, be presented to the Board.

The Chief Executive also noted the comparison of running costs between the JCB and Hitachi, noting that Hitachi seem to have lower running costs over the years, although are more expensive to buy in the first instance. It was also confirmed that plant it currently on an eight year replacement cycle, and most maintenance costs come from within the last three years of the cycle, hence the proposal to reduce this cycle to five years.

Mr P Holmes questioned if the JCB Twiga type machine has been on demo yet? The Chief Executive noted that the Board have not had it on demo yet and will inform members when it is coming.

The Chief Executive also informed the committee that on the 9th November, Royal Smals Cutter Suction Machine begins in the North Forty Foot Drain (NFFD) at the Punchbowl Lane end, working towards Cooks Lock Pumping Station over three weeks. Royal Smals and ADA were proposing to hold a demonstration day, but nothing has been circulated yet.

(d) INSURANCE ARRANGEMENTS – Minute 1861(a)

The Finance Manager summarised that the pumping station cover has been taken out in its entirety, as per the emails between the Executive Committee and Board's Officers to reach this decision to self-insure and increase the General Reserve by a further 10% over ten years.

The Finance Manager also noted that the Audit & Risk Committee have reviewed this decision and there was a suggestion from one member of the committee to seek cover with a £300,000 excess (amount that will be available eventually with the extra 10% in the reserve). The Finance Manager did highlight that a policy with £100,000 excess was considered but made very little difference to the premium.

The Chairman felt that it wouldn't make much difference from the £100,000 excess and further suggested that work commences in 2022 on the insurance renewal. Mr M Brookes noted that if a suitable insurer was found, then the Board wouldn't need to wait for the renewal in September 2022, it could be taken straight away.

Mr M Rollinson noted that a proactive approach needs to be taken with the insurance arrangements, adding that he feels a blank sheet review of the insurance would be beneficial. The Finance Manager noted that he held meetings with three insurance brokers in July 2021 in readiness for the September 2021 renewal. Cllr P Bedford noted that another IDB who use Torgate for insurance also only received their renewal quote a matter of days before the renewal date. The Chairman noted that the NFU are showing more interest in insuring the Board.

The committee did not see the value of a policy with £300,000 excess. The Finance Manager adding that it would be a case of assessing the benefits in that catchment to achieve Grant in Aid funding or, if no benefits were established, then it may be a case of rethinking what would be built there. Mr P Holmes noted that, perhaps in the future, the physical building of a pumping station may not be necessary. The Chief Executive noted that the next pumping station to be built in the Board's catchment, will be external pumps. The Chief Executive noted that, in regard to the potential South Lincolnshire Reservoir (SLR), if water levels are raised in the South Forty Foot Drain (SFFD) and therefore pumps not able to gravitate, it has been explained that the Board's pumps are not designed for continuous pumping. The whole catchment will need to be reconfigured.

All AGREED that the suggestion of the £300,000 excess policy be considered by the Board, with the Executive Committee of the view that it won't add any value.

The Chairman noted that it would be interesting to know what other IDBs have done regarding insurance, this year.

(e) CHIEF EXECUTIVE OFFICER – Minute 1855(d)

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.

1880 TO CONSIDER PERIOD 06 MANAGEMENT ACCOUNTS - Agenda Item 7

The Finance Manager reminded that committee that the draft Period 6 Management accounts were presented at the previous Executive Committee meeting, in draft form. The Finance Manager highlighted the following points:

- Currently at £121, 597 over budget for Rechargeable Income because of the Environment Agency (EA) Recovery work
- Schemes underspend covers the overspend in Drain Maintenance
- Pumping Station Maintenance is £47,000 overspent. The Finance Manager noted that he is not sure how this will be recovered, unless we have a dry winter and do not use the amount electricity previously used. The Finance Manager also noted that he feels tighter control and better budgeting is also required and so has proposed some changes to the procurement policy through the Audit & Risk Committee, which will be presented to the Board. It was felt that this overspend may be partially a result of the two wet winters, but also a result of every job being done immediately, even if it could wait. It was confirmed that in the current budgets, the level of electricity included is slightly inflated, but not to the levels seen in the past two years.
- Drainage Rates & Special Levies - Court is booked for 22nd November 2021. At the date of producing the agenda, there was £52,000 outstanding, however there is £13,000 due today. There are 26 summonses to the magistrates court, typically there being 6-8 by the court date.

1881 TO RECEIVE THE QUARTER 2 FORECAST - Agenda Item 8

The Finance Manager noted that the detail of the Quarter 2 Forecast has been presented separately to the agenda..

The Finance Manager noted that the orange boxes have had changes made compared to the budget.

The following changes to schemes were noted:

- No further work being done on the Graft Drain this year. The money will be recovered into the budget.
- Kirton Marsh and Horbling Pumping Station roof replacements have been removed, as discussed in June 2021.
- Great Hale Pumping Station Weedscreen Cleaner has been removed to allow for Wyberton Pumping Station pump refurbishment.
- £20,000 worth of jetting identified as needing to be done this year. The remaining £34,000 will be deferred to future years.
- £20,000 has been included for additional Alternate Access Works.
- Only expecting 2 x £1,000 culvert contributions, so the other £3,000 has been released into the budget.
- Grant in Aid (GiA) – All the schemes that remain in there, except for the pumping station automation, the income was received last year, so it is only the income from this year that is showing.

- Lane Dyke Culvert Replacement – deferred to next year by the Environment Agency (EA)
- Leaves Lake Drove Diversion – scheme is not going ahead, after taking out the GiA Manager’s costs, the remaining will be returned.
- Summer cutting – due to be completed by the end of Period 9
- Desilting to be delayed by two months, as discussed in June 2021, forecasting that drain maintenance will come in on budget

The Chief Executive noted that, from an operational point of view, cutting was commenced a month later than usual this year and is on track to finish before Christmas. This programme has therefore been reduced by a month, which has been aided by cropping and reduced rainfall.

Cllr P Bedford noted that the North Forty Foot Drain (NFFD) from Ferry Lane to Holland Fen is really overgrown with reeds. Cllr P Bedford noted that the road is going to be closed for five weeks for road repairs, noting that it may be a good opportunity to complete the works whilst the road is closed. The Chief Executive noted that he will discuss with the Operations Manager.

1882 TO RECEIVE AN INITIAL INDICATION OF THE 2022/23 BUDGET - Agenda Item 9

The Finance Manager explained that this budget presented meets the aims of a balanced budget and reserve increased to 30% in the next ten years.

The Finance Manager noted that he has also included £46,000 increase in Drain Maintenance due to no longer being able to use red diesel from next year, 1.25% National Insurance increase will be absorbed in the Wages Oncost Reserve. The 2.5% Pay Award will be covered by an increase of 2.5% for Drain Maintenance from 2022/23. Everything else has been left at an inflation rate of 2% for the first three years and 2.5% from 2025/26.

The Finance Manager highlighted to the committee the increase in rate of 7.29% in 2022/23, but after that the increase decreases to 4.53%, followed by 4.47%, 3.5% and 2.5% for the remaining years.

The Chairman questioned whether Board approval is required to increase the General Reserve to 30%? The Finance Manager noted that these minutes will be presented to the Board, along with all the previous minutes, and suggested that this first draft of the budget is also presented.

The Finance Manager also noted the letter sent to the special levy paying councils as advance warning of the increases expected. It was confirmed that no responses have been received.

Mr P Holmes gave the example situation of in 5 years’ time say, insurance premiums decrease, and the decision is taken to insure everything again? The Finance Manager responded that the committee and Board could then review what they wanted the target general reserve to be.

The Finance Manager confirmed that the Joint Practitioners Guide advises that the Board should have reserves between 3 and 12 months of expenditure.

Mr M Rollinson questioned if it needed separating in a separate insurance reserve? The Finance Manager noted that he couldn't see any benefit in doing that.

It was also included that an increase in the EA Precept has also been included, as the Finance Manager anticipates an increase soon due to not having an increase for the past 12 years.

The Chairman thanked the Finance Manager for his work.

The Committee RESOLVED to recommend the first draft 2022/23 budget be adopted and be shared with the Councils if adopted by the Board.

1883 TO CONSIDER COMMITTEE MEMBERSHIP RECOMMENDATIONS TO THE BOARD - Agenda Item 10

The Chairman explained that he felt that a Nominations Committee meeting wasn't necessary and that the Executive Committee could consider committee membership recommendations.

Executive Committee

The Chairman noted that he felt this committee works really well. Mr M Rollinson noted that he agrees it works very well but noted that there are two duplicates within it and so an additional member could be added. Mr P Holmes also felt it works really well. The Finance Manager noted that the Terms of Reference may need to be reviewed to add the Structures Chairman and Environment Chairman.

Environment Committee

The Chairman highlighted two vacancies within the Environment Committee; one Northern Works and Southern Works.

The Chairman suggested that Mr R Needham (Northern) would be valuable on the Environment Committee.

Mr M Rollinson noted that he would be happy to join the Environment Committee if needed.

The Committee RESOLVED to recommend that Mr R Needham and Mr M Rollinson join the Environment Committee.

Structures Committee

The Chairman highlighted one vacancy on the Structures Committee. It was suggested that Mr C Wray would be valuable on the Structure Committee.

The Committee RESOLVED to recommend that Mr C Wray join the Structures Committee.

Audit & Risk Committee

The Chairman highlighted two vacancies (both Northern Works elected members). Mr M Brookes noted that Mr M Leggott would be valuable on Audit & Risk Committee. It was suggested that Mr J Fowler would be valuable on the Audit & Risk Committee.

The Committee RESOLVED to recommend that Mr M Leggott and Mr J Fowler join the Audit & Risk Committee.

The Chairman of each committee to contact the recommended members to see if they would be willing.

1884 TO REVIEW THE DRAFT TIMETABLE FOR 2022 MEETINGS - Agenda Item 11

The Finance Manger presented the amended draft timetable for 2022 meetings, with the most significant change being to the timing of the Southern Works and Northern Works Inspections, which are now proposed to be in July. It was confirmed that the operations team think it is viable to hold them in July and that there will be works to look at.

The Finance Manager noted the remaining 2021 Executive Committee meeting scheduled for 14th December 2021, adding that due to the addition of this meeting, it may not be deemed as necessary. All AGREED to cancel the Executive Committee scheduled for 14th December 2021 and the budgets will be presented to the Executive Committee at their meeting in January 2022.

1885 ANY OTHER BUSINESS - Agenda Item 12

(a) PROPOSED ACCESS & MAINTENANCE PROPOSALS – DRAIN 36/7 SLEAFORD

The Chief Executive reminded the committee of this matter that was discussed at the Southern Works Committee meeting on 28th September 2021, briefly summarising that there is a large development planning application that runs alongside the drain, which will cause problems for mechanical maintenance of the drain.

The Chief Executive noted that the Board's Officers have been in contact with Lincolnshire County Council (LCC) and North Kesteven District Council (NKDC) and have received the following response from a planning officer at NKDC:

'Whilst the planning system shouldn't normally duplicate other legislation, in this instance I think it entirely appropriate in the interests of managing flood risk that the Council uses a number of planning conditions to ensure that these matters are addressed. Specifically;

- *Removal of 'permitted development' rights meaning no construction of gates, walls, fences, hard surfaces etc within the 6m distance shown on the latest layout plan*
- *Condition requiring management and removal of any dredged arisings in the area stated*
- *Submission of evidence that the applicant has entered into the necessary indemnity with you'*

The Chief Executive noted that this is the first time support like this has been encountered and it has been circulated to the other Councils to see if they could impose something similar with future applications. Thanks has also been expressed to NKDC.

(b) BOARD MEETING ARRANGEMENTS

The Chief Executive explained to the committee that there will possibly be new member training in the morning, followed by a buffet and presentation to long serving Board Members, with the meeting to commence at 2pm with members from the Environment Agency (EA) in attendance.

It was confirmed that the meeting will be hybrid, allowing members to virtually attend if they don't feel comfortable to attend physically. Members will also be asked to complete a lateral flow test prior to the meeting.

The Chairman felt it would be very cramped in the Board Room with full attendance, noting the increased rate of COVID-19 at the moment.

Mr M Rollinson felt it is personal choice, if members don't feel comfortable to attend physically then they have the option to attend virtually.

Discussion took place around the difficulty of chairing the meeting virtually, due to the formation of the new Board.

All AGREED to see if Swineshead Village Hall or another venue is available to hold the Board Meeting on 23rd November 2021.

(c) ENVIRONMENT AGENCY (EA) FUNDING FOR WORK ON HIGHLAND CARRIERS

The Chief Executive referenced the monies received from the EA for the works on the Highland Carriers. This work has now been completed and has been completed for less than estimated. The Operations Manager has therefore been in discussion with the EA regarding using this money to complete work on other EA assets.

The Operations Manager has identified another 31 sites for potential work (£500,000 worth of work) and has met with Adrian Clack (EA) this morning to present these to him. Adrian Clack has instructed the Operations Manager to forward this information and costings and orders will be received for all of this work by the end of the week. The Operations Manager also highlighted to Adrian Clack that some expensive equipment would be required to complete some of these works, to which Adrian Clack instructed the Operations Manager to purchase the equipment. Adrian Clack highlighting that IDBs offer efficiency as they do not require supervision whilst undertaking-the work.

Adrian Clack has also told the Operations Manager to think positively about South Forty Foot Drain desilting and has additional recoverable works available for the Board to complete in the region of £1 million. It was also noted that payment recovery was expected from the EA for all the pumping station inspection work at Ewerby, South Kyme and Damford-

The committee thanked the Operations Manager for his work.

(d) BRITISH TELECOM (BT) – BOARD'S PHONE SYSTEM

The Finance Manager reminded the committee that the Board purchased its telephone system five years ago, it is currently working fine with no problems. At the time, the Board signed a five year contract for the service, which is now coming to an end.

The only options with BT are to sign another five year contract or out of contract prices are increased by 75%. The Finance Manager noted his concern around signing up for another five years with phones that will then be ten years of age and so has sought other quotations.

| | Monthly | 3 year | Total Cost 5 year | Annual Equivalent |
|---|---------|---------|----------------------|----------------------|
| BT Out of Contract (Software Only) | £341 | | £20,483 | £4,097 |
| BT 60 Month Contract (Software Only) | £247 | | £14,790 | £2,958 |
| Rydal 36 Month Software & New Hardware) | £345 | £12,420 | £14,940 | £2,988 |
| Rydal 60 Month Software & New Hardware) | £287 | | £17,220 | £3,444 |
| Avaya through HBP | £157 | £6,721 | £10,499 | £2,100 |

All AGREED to use Avaya through HBP.

(e) RATING FOR SOLAR PARKS

Mr M Rollinson questioned the Board's policy regarding rating for Solar Parks? The Finance Manager responded that the existing solar parks within the Board's catchment are dual purpose and so they pay business rates on the solar panels but also pay agricultural rates on the land they are situated on. If it was hardstanding, it would all be business rates and would therefore be transferred to the council.

The Chief Executive highlighted another point of whether non-agricultural crops such as crops grown for Anaerobic Digesters should be classed as agriculture? Mr P Holmes noted that it would be on a rotational basis.

There being no further business the meeting closed at 15:38.