

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
25th October 2022 at 2pm

Members

Chairperson - * Mr M Brookes

Mr W Ash	* Mr V Barker
* Mr M Leggott	* Mr J Fowler
* Cllr R Austin	* Cllr S Walsh

* Member Present

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

2041 Recording the Meeting - Agenda Item 1

Members were informed that the meeting would be recorded.

2042 Apologies for absence - Agenda Item 2

Apologies for absence were received from Mr W Ash.

2043 Declarations of Interest - Agenda Item 3

No declarations of interest were received.

2044 Terms of Reference - Agenda Item 4

The Finance Manager noted that the only proposed change is the terminology that is being added into all terms of reference, to acknowledge that the meetings are public.

Cllr S Walsh questioned if the wording should restrict the public to those only within the Board's catchment. It was confirmed that they are public meetings and anybody, irrespective of residing within the Board's catchment or not, could attend.

The Committee RESOLVED to recommend that the Audit & Risk Committee Terms of Reference be approved at the next Board meeting.

2045 Minutes of the last meeting - Agenda Item 5

Minutes of the last meeting held on 12th April 2022, copies of which had been circulated, were considered and it was AGREED that they should be signed as a true record.

2046 Confidential Minutes of the last meeting - Agenda Item 6

Confidential Minutes of the last meeting held on 12th April 2022, copies of which had been circulated, were considered and it was AGREED that they should be signed as a true record.

2047 Notes relating to the insurance renewal for 30 September 2022 - Agenda Item 7

Notes relating to the insurance renewal (30 September 2022) from the informal meeting held on 14th September 2022 were noted as received.

The committee were reminded that due to the death of Her Majesty Queen Elizabeth II, the planned Audit & Risk Committee meeting to review the insurance renewal could not go ahead. However, all were invited to make comments and / or observations through email, before the decision was made.

The Finance Manager outlined the following to the committee:

From the three received quotes, it was evidently clear which was most competitive – that being the NFU. Once the decision had been made to insure with the NFU, three options, as below, were considered:

- As per the cover currently in place, without any cover for pumping stations, the pumping plant or contents of pumping stations.
- As per the cover currently in place with the surface buildings of pumping stations, pumping plant and contents of pumping stations included, but not the pumping station substructures.
- As per the cover currently in place with pumping stations fully covered including substructures.

It was concluded that for the additional premium, to fully insure pumping stations including substructures, it was good value for money and offered the Board security and assurance. It was therefore concluded to fully insure, with pumping stations including substructures.

The Finance Manager also noted the current benefit of 8.5% discount due to the Board already holding NFU membership. After the first year, the Board would receive another 8.5% discount (mutual bonus), which going forward, would increase by 1% each year. Based on this, it was concluded to insure with the NFU for a five-year period in order to gain these discounts, however it doesn't mean the Board are locked into it.

Next, the group accident insurance was noted, the Finance Manager explaining that the Board had this cover under the impression that it covered the Board Members for works inspections etc.. However, during the review it has come to light that the Board Members are covered by employer's liability as voluntary employees of the Board, which has no age limit. Therefore, there was no benefit for Board Members with the group accident insurance. This cover was then reviewed in terms of benefit to employees, the NFU cover level for death is £60,000 and £100 per week for total disablement. However, through the pension scheme for death in service, three times the employee's salary would be received, and the Board also pay 6 months full sick pay and 6 months half sick pay and so it was felt that, in light of this, there was no benefit in continuing with the group accident insurance. It was also noted that NFU would pay £10,000 accidental death payment to employees under the age of 75.

It was further noted that the ride on lawn mower has been added to be covered for road traffic as it works within a metre of roads.

Mr V Barker questioned the level employees are covered for in relation to accident and death? It was confirmed that employers' liability insurance covers up to £15 million.

Mr J Fowler thanked the Finance Manager for his work on obtaining and reviewing the insurance quotes, noting that The Risk Factor are way above the other two quotes, suggesting that they perhaps don't understand the business of the Board and whether the Finance Manager would consider not using them for a quote in the future. The Finance Manager noted that The Risk Factor provided a competitive quote for the Witham and Humber Board's, however, it was noted that they have recently lost a pumping station and so their claim on their insurance may have affected the quote received.

The Chairperson, and committee, thanked the Finance Manager for his work.

The NFU membership was noted, it being explained that it has to be held in an individual name, the committee felt, that in future, it should be in the name of the Finance Manager.

The Chairperson added that, going forward, it would be best practice to review this early on, meaning the Spring meeting and asked whether the committee would be interested in the insurance representative attending that meeting to go through the review? The committee AGREED this would be beneficial.

2048 Matters arising - Agenda Item 8

(a) Risk Management Strategy (Risk 1.1(b) – Fluvial flooding from failure or overtopping of defences) – Minute 1964(a)

Mr V Barker noted that he has had a Rural Payments Agency (RPA) inspection in which they wanted to know where the Environment Agency's hand-off levels were, and so he disappointingly informed them that these levels are at Black Sluice Pumping Station (Boston); around 20km away.

2049 To receive the Annual Return including External Auditor's Opinion for 2021/2022 - Agenda Item 9

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 congratulations and noted well done to all the team.

2050 To review the following Board's policies - Agenda Item 10

The Finance Manager explained that these are policies that have been identified for review and any changes have been made in red, points to note highlighted in yellow and any additional notes made in green.

(a) Policy No. 4: Procurement Policy

The Chief Executive drew the committee's attention to the proposed new paragraph regarding the SCAPE Access Agreement for the Public Sector, explaining that it is proposed to add this to allow the Board to place orders through this framework, noting that the Black Sluice Catchment Modelling Study involves a company called Stantec who operate through this SCAPE agreement.

The Chairperson felt that framework agreements such as these are a positive thing and allow for contracts to be placed quickly.

Cllr S Walsh added that if it makes it simpler, to add it within the policy.

Cllr R Austin questioned if there is anything controversial within it? The Chief Executive confirmed there isn't.

The Committee RESOLVED to recommend that the Procurement Policy (No. 04) be approved at the next Board meeting.

(b) Policy No. 30: Local Government Pension Scheme Discretions Statement Scheme Employers

The Finance Manager explained that the pension provider produces a guide template for this policy and the changes shown in red reflect the changes of wording being suggested by them, there is no change to the content or meaning, it is just a change of wording to try and make it clearer. The Finance Manager also reminded the committee that they suggest it is reviewed annually but it has been agreed that the Board will review every three years.

The Finance Manager further noted that the recommended (non-mandatory) LGPS 2013 & 2014 discretions has previously not been included in the policy, due to them being non-mandatory and not wanting to add confusion to the policy, but they have been included in red in the policy presented to allow the committee to review. All AGREED to remove the 'Recommended (non-mandatory) LGPS 2013 & 2014 discretions' section of the policy.

The Committee RESOLVED to recommend that the Local Government Pension Scheme Discretions Statement Scheme Employers (No. 30) be approved at the next Board meeting, with the above amendment.

(c) Policy No. 48: Substance and Alcohol Misuse (Draft new policy)

The Chairperson informed the committee that this is a draft new policy.

The Chief Executive noted that it has been identified that there are some policies which other IDBs have, which this Board doesn't and so these policies are starting to be produced and brought to the committee for review.

The Chief Executive referred to the paragraph highlighted in yellow, regarding the testing of employees for substances and alcohol. The Chief Executive stated that testing would be done on a voluntary basis from the employee and therefore questioned whether it is worth having it within the policy if the employee could refuse to be tested anyway, the Chief Executive noting that, in his opinion, it should be included to show that it could be asked of the employee.

Further noting that if the committee wanted to keep the testing element within the policy, it would have to be presented to the union.

The Chairperson felt that if it can't be enforced, then what is the point in it being included in the policy.

Mr V Barker referred to the 'White Book' (ADA Lincolnshire Branch Wages and Salaries and Conditions of Service) and questioned whether further detailed policies are required if it is included within that? It was confirmed that there is very little in the White Book regarding this.

Cllr S Walsh gave a 'real-life' example scenario he experienced during his career in General Practice, in which an employee was accused of taking drugs. The HR company advised that testing is voluntary, but that declining testing could be seen as an admission of guilt. Cllr S Walsh added that testing can be done through a urine sample, blood sample or hair follicle – if using urine samples, it has to have been consumed within the last 48 hours to show up. Cllr S Walsh also noted the cost associated. Further adding that, in his opinion, it should be included to protect the safety of all employees.

Mr M Leggott gave the example of an employee going out drinking all weekend and then coming into work on the Monday morning, questioning if the Board supply employees with do-it-yourself breathalysers for them to check they are within the limit? The Chief Executive noted that he has asked the operations management team what they would do if they believed somebody had attended work under the influence, to which they responded that they would be withdrawn from work / taken home on full pay and then further discussion would have to take place. Also noting that the majority of the workforce have to drive to get to the depot or their machine.

It was noted that within the construction industry, it is common practice for random testing to take place. The Chief Executive acknowledged that the Board is not a construction company, but that the workforce is operating large and powerful machinery.

Mr M Leggott felt that from a health and safety perspective, he can't see why the union would not be agreeable to the testing element, as it is a matter of safeguarding their members.

The Finance Manager noted that the union will likely want to know the detail behind the proposed testing, i.e., by whom, who will be subject to testing etc.

Cllr S Walsh felt it would only be invoked where there was an identified concern, or thereafter. The Finance Manager added that the Board do also have provision to send employees for a medical.

Mr M Leggott agreed, adding that random testing could become costly and also alienate employees to a certain extent.

The Chairperson suggested that the committee can't make a decision on this until a conversation with the union has taken place.

Cllr R Austin noted the advantage of having a small number of employees and therefore the managers know and have close working relationships with employees.

Mr J Fowler added that the union are likely to be discussing this with various other organisations on a regular basis, also noting that it is only echoing the law of public land.

All AGREED for the Board's Officers to discuss the proposed policy and element of testing employees for substances and alcohol with the union and the response to be reported back to the Board meeting in November.

It was noted that the paragraph included in red was background information for the committee only and will not form part of the policy.

The Committee RESOLVED to recommend that the Substance and Alcohol Misuse policy (No. 48) be approved at the next Board meeting, excluding the paragraph regarding testing, to be reviewed, by the Board, with the response from the union.

2051 To receive the catalogue of Board Policies with recommended approval dates – Agenda Item 11

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

2052 To review the Risk Register - Agenda Item 12

It was noted that the only risk with a score of 6 is Risk 1.8 - Loss of senior staff, which relates to the current circumstances of the Chief Executive.

The committee AGREED that the Risk Register be accepted.

There being no further business the meeting closed at 14:46.