

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of a Meeting of the Board

held at the Offices of the Board on
14th February 2023 at 2:00pm

Members

Chairperson - * Mr K C Casswell

Mr W Ash	* Cllr T Ashton
* Mr J Atkinson	* Cllr R Austin
* Mr V Barker	* Cllr P Bedford
* Mr M Brookes	Cllr M Cooper
Mr J Fowler	* Cllr M Head
* Mr P Holmes	Mr M Leggott
* Cllr F Pickett	Cllr P Skinner
Cllr R Reid	* Mr P Robinson
Mr M Rollinson	* Mr R Needham
* Cllr S Walsh	* Mr C Wray

* Member Present

In attendance: Mr D Withnall (Finance Manager)
Mr P Nicholson (Operations Manager)

2086 Recording the Meeting - Agenda Item 1

Board Members were informed that the meeting would be recorded.

2087 Apologies for Absence - Agenda Item 2

Apologies were received from Cllr R Reid, Mr W Ash, Mr M Leggott, Cllr P Skinner, Cllr M Cooper, Mr M Rollinson, Mr J Fowler and Mr I Warsap.

2088 Declarations of Interest - Agenda Item 3

Mr V Barker declared an interest in relation to Minute 2065(a) of the minutes of the Board held on 22nd November 2022 – Drainage and maintenance issues, land south of the Risegate Eau, Gosberton Fen, discussed at Minute 2090(d) during this meeting.

2089 Minutes of the last Board Meeting - Agenda Item 4

The Minutes of the last meeting of the Board held on the 22nd November 2022, copies of which had been circulated, were considered and it was AGREED that they should be signed as a true record.

(a) Operation Flyswat - Minute 2057(b)

The Finance Manager explained that the Operations Manager has been in contact with the Operations Flyswat team, showing some photos on screen of examples of fly tipping that the flyswat team are refusing to collect because it is in a “drain”. However, a lot of these instances are not actual drains, with no water and could easily be collected by the flyswat team equipment.

The Finance Manager was of the opinion that if there is no positive arrangement that can be concluded to work for all parties, then the Board should give notice on the 1st March to come out of the flyswat agreement as of 1st April.

It was noted that the flyswat team will come and collect it once it is on the drain brink.

Mr V Barker questioned if the flyswat team used to involve prisoners from North Sea Camp, but no longer does? Suggesting that perhaps the MP should be contacted to make him aware that the prisoners could be of help/sentences of community service could be given to help.

The Operations Manager noted that the potential risk of leaving the flyswat partnership is the increased cost to the Board, which needs to be considered. It being noted that there are various local authorities that contribute to the flyswat team (South Holland District Council, Boston Borough Council, East Lindsey District Council, local IDBs) but it is Boston Borough Council that lead it and employ the team.

Cllr P Bedford suggested that the Board contact Deborah Evans with the Board’s concerns.

Cllr M Head noted that there is a county wide set up for this, led by Alisha Kirkham at South Kesteven District Council, and that forensic detection should be being carried out on the fly tipping for prosecution.

Mr P Holmes noted that when the Board first joined the partnership, that cost to the Board not being in the partnership was double and so noted his concern about leaving the partnership.

(b) 2022/23 Budget and Ten-Year Estimates (Electricity prices) – Minute 2058(d)(i)

Mr J Atkinson questioned if the Board only use Woldmarsh, or whether any other quotes are sought for the electricity? Mr J Atkinson believed it may be beneficial to get a quote from an individual company. The Finance Manager explained that Woldmarsh are used as broker, they get various quotes on the Board’s behalf and that the Board moved to Woldmarsh as competitive prices couldn’t be sought on an individual basis, noting that the Board made a considerable saving in the year the Board moved to them. The Finance Manager concluded that he could look into it if the Board wanted, but didn’t believe that the prices would be favourable.

(c) Transformer at Gosberton Pumping Station - Minute 2063

The Operations Manager explained that the business case is currently in the process of being approved and it is expected that it will be with the funding being released retrospectively. The transformer has been ordered, with a lead time of 3 months, and is due to be installed the last week of April over a period of three days. Mr V Barker noted that he hopes the forecast is observed for that week and tractors are on standby if required.

(d) Drainage and maintenance issues – land south of the Risegate Eau, Gosberton Fen - Minute 2065(a)

The Operations Manager noted that he has discussed with Mr V Barker and is of the opinion that the work completed has achieved what was wanted and that it will be tested when it rains, Mr V Barker agreed.

Mr V Barker added about some wooden shuttering in the drain, by the two cottages opposite the school, noting that there is garden there with grass lawn, which if the Board could come to an agreement with the owner for access by machine, it may simplify the cutting.

(e) Chief Executive Officer Succession Planning - Minute 2065(b)

The Chairperson noted that succession planning is still ongoing, with employee's roles and responsibilities being reviewed, and that the Operations Manager is currently shortlisting applicants for the GIS Technical Engineer vacancy.

2091 To receive the minutes of the Executive Committee - Agenda Item 6

The Chairperson presented the Minutes of the Executive Committee meeting held on the 13th December 2023, copies of which had been circulated.

The Board RESOLVED that the Minutes should be received.

Matters Arising:

(a) Plant - Mitsubishi L200 Trucks Replacement - Minute 2071(e)

The Board were informed that the four new Toyota trucks on order are still expected for delivery in May 2023.

2092 To receive the minutes of the Executive Committee - Agenda Item 7

Mr P Holmes presented the unconfirmed Minutes of the Executive Committee meeting held on the 17th January 2023, copies of which had been circulated.

The Board RESOLVED that the Minutes should be received.

Matters Arising:

(a) 10 Year Plant Replacement Budget - New JCB 140X - Minute 2071(a)

It was noted that the new JCB 140X has been received and the old JCB 130 has been privately sold for £22,103.75.

(b) Pay Award 2023/24 - Minute 2071(k)

The Finance Manager reminded the committee of the revised employer offer presented to the Union (the first offer was rejected), as below:

Using The Office for National Statistics Earning 01 Average Weekly Earnings – Total Pay, Great Britain (Seasonally Adjusted)

Provisional July Figure, published in September, for the public sector, 12-month average (August of the previous year to July of the current year) of the Single Month Changes (KAC8), % change year on year (2.1%)

In addition, for 2023/24 an un-consolidated payment of £1,800 will be paid in addition to the salary in two equal payments of £900 in April 2023 and September 2023.

Following a meeting of three Union representatives, they took the decision not to put the revised offer, above, to ballot and were still looking for a better offer. The employers therefore requested that the Union present a counter-proposal. This has only recently been received and is as follows; 5.5% consolidated increase and a £1,000 one-off unconsolidated additional payment. The Finance Manager explained that this counterproposal is actually a worse deal for the lowest five scale points compared to the employers offer.

The Chairperson also noted his concern that South Holland IDB have now broken away from the joint negotiations and agreed on their own pay award, noting his concern for the future and strength of the joint ADA Pay and Conditions. It was noted that South Holland IDB are giving a 7% consolidated increase, with no additional payments.

Cllr T Ashton questioned the line of negotiation? The Finance Manager explained that the first offer (2.1% + £1500 unconsolidated) was taken to ballot and rejected. It being noted that only 10 of the Board's employees are Union members and so all employees were notified of the new offer (2.1% + £1800 unconsolidated). The Finance Manager noted that he has also done some engagement with the Board's employees, and he believed that they saw it as a good offer.

The Chairperson noted that the 2.1% has been offered in order to stay with a formula and have something to work to. The Finance Manager noted that the index was released this morning and the provisional figures for November were 4.2%, it being expected the formula index will be considerably higher next year and therefore increase the consolidated element. It was confirmed that, following the initial Pay & Conditions meeting, the Union wanted to stay using the formula.

It was noted that there is another meeting of the employers prior to the ADA Lincs Branch meeting on 23rd February.

Mr P Holmes questioned if the Finance Manager hadn't been involved in the setup of the Pay and Conditions Committee, would the Board have split away from it?

The Finance Manager responded that they wouldn't until now, noting that if the Board moved away from the Pay and Conditions Committee, he would suggest that the negotiation would be with the Board's employees rather than the Union.

(c) South Lincs Reservoir - Minute 2082(f)

Mr V Barker questioned if there would be any further discussion about the reservoir at this meeting, suggesting that it would be beneficial to discuss the proposals within the Board's catchment.

It was noted the reservoir is still at concept stage, with the Operations Manager further noting that the Board has suggested a potential transfer route.

The Chairperson noted that a meeting can be arranged, or update given at the Works Inspection, for further discussion around the reservoir.

(d) 2023/24 Budget and Ten-Year Estimates - Minute 2084

The Finance Manager highlighted to the Board that the Executive Committee took the prudent decision that a large rate increase is necessary (27.96%) for April 2023 because of the increase in electricity costs.

It was noted that all four councils within the Board's catchment were written to inform them of the proposed increase, but there has been no direct response from the correspondence.

Composition of the Board

The Finance Manager further noted that a review of the composition of the Board is required this year, it being recommended from the Executive Committee for Boston Borough Council to have nine appointed members, South Kesteven District Council have one appointed member, North Kesteven District Council have one appointed member and South Holland District Council have one appointed member. The only change to the current Board composition is an additional two Boston Borough Council members. Proposed by Mr P Holmes, all AGREED.

Cllr T Ashton noted that he is pleased that, even with the challenges of large increases, the relationship between the councils and IDB are still strong and will be happy to justify the increases the Board see necessary as a Councillor.

Electricity

The Finance Manager gave an update on the electricity prices and situation.

Firstly, referring to the Energy Bills Discount Scheme (EBDS), noting that from October 2022 – March 2023 it was a maximum of 21.1p per kWh and from April 2023 to March 2024, with the new scheme, will increase to 30.2p per kWh. Further noting that Woldmarsh are anticipating prices to decrease but not to what they were.

The Finance Manager next displayed on screen a pumping trace from Wyberton Marsh Pumping Station over the period of one week, further showing calculations highlighting that if the daytime pumping had been done during the night, this would have made a saving of £389.48, equating to £10,126.48 over 26 weeks. The Finance Manager therefore next explained that the team have looked at running the pumps as little as required during the day, allowing the levels to rise, and then pumping back down during the night. The most extreme case of difference in price during the day and night is Cooks Lock Pumping Station, it being £1.22/kWh during the day and 21p/kWh during the night, this being £32.93 to pump for one hour, with one pump, during the day and £5.72 to pump for one hour, with one pump, during the night.

The Chairperson felt it was important to show that the Board are taking a proactive approach to finding ways to reduce the electricity costs where possible, considering the big rate increase.

The Operations Manager noted that there will still be a requirement for some daytime pumping, where it is not achievable to pump down at night.

The Finance Manager referred to South Kyme Pumping Station where the Officers have been testing new levels. Feedback was received and so these levels have been adjusted.

Cllr T Ashton questioned why there is such a difference in the rates between pumping stations? The Finance Manager noted that he has spoken with Woldmarsh, and they have suggested that it is due to the supply and demand of the area at that time.

The Chairperson emphasised that even with these approaches, a rainfall event of that of 2019 would use all the Board's reserves. The Finance Manager explained that, based on the average over the last 6 years, the cost of an average usage year would be £775,000 and the cost of a wet year (consumption the same as that used in the 2019 event) would be £1,500,000.

Mr V Barker noted the option of using a tractor to run the pumps, questioning what the cost of that would be in comparison to electricity? The Chairperson felt this was only for emergencies, noting that a person would have to be with the tractor and therefore need paying, and it would also be difficult logistically to keep them fuelled up.

Administration and Establishment

Board's Bungalow – The Finance Manager showed the proposed new kitchen on screen, for which a budget of £6,000 has been allowed.

Development Reserve

The Finance Manager noted that the team are looking at options to utilise this money and will update at the Works Committee.

Wages On-Cost Reserve

The Finance Manager noted that, until recently, the Board were fully staffed, but noted that a member of the workforce handed in his notice with immediate effect this week due to unforeseen circumstances. There are also plans for further training in health and safety, leadership, and team skills.

Aim for the General Reserve

The Finance suggested the following (will also be amended in the Financial Regulations):

- Maintain - Maintain the General Reserve at between three and twelve months of net revenue expenditure. (As per JPAG Practitioners Guide)
- Aim - Aim to be able to fund a minimum of two consecutive “Wet” years of Electricity from the General Reserve.
- Budget - With the General Reserve at the target level aim for a balanced budget.

All AGREED.

Internal Audit 2022/23

The Chairperson noted that the Internal Auditor has awarded Substantial Assurance again, congratulating the team on such an achievement. Mr V Barker, and all members of the Board, thanked the Finance Manager and team for this achievement.

Interest Rates

The Finance Manager informed the Board that on the NatWest 35-day notice account the interest rate is 1.11%. The reserve account (working money used day to day) is getting 0.8%. The Monmouthshire account is at 1.4%.

(a) 2023/24 Budget & Ten Year Estimates Report

This report was included for information as it was presented to the Executive Committee on 17th January 2023.

(i) Budget with 10 Year Estimates

This report was included for information as it was presented to the Executive Committee on 17th January 2023.

(ii) 2023/24 Summary Budget by Month

This report was included for information as it was presented to the Executive Committee on 17th January 2023.

(iii) 2023/24 Detailed Budget by Month

This report was included for information as it was presented to the Executive Committee on 17th January 2023.

(iv) 10 Year Capital Schemes

This report was included for information as it was presented to the Executive Committee on 17th January 2023.

Mr V Barker noted that £5,000 has been allowed for culvert replacements each year, questioning if that is sufficient? The Finance Manager explained that that budget is for contributions the Board would make to culverts that are not the responsibility of the Board. The Operations Manager adding that they struggle to spend it.

(v) 2023/24 Wages On-cost Reserve Budget

This report was included for information as it was presented to the Executive Committee on 17th January 2023.

(vi) 10 Year Plant Replacement Budget

This report was included for information as it was presented to the Executive Committee on 17th January 2023.

(vii) 2022/23 Cumulative Solar Panel Report

This report was included for information as it was presented to the Executive Committee on 17th January 2023.

2093 Final Budget with 10 Year Estimates (Amended Penny Rate) - Agenda Item 8

The Finance Manager informed the committee that there is no change from the figures presented to the Executive Committee because all the site visits of developments and required amendments from agricultural to special levy were completed early.

All AGREED the rate increase of 27.96% for April 2023/24.

2094 Quarter 3 Forecast & Period 10 Management Accounts - Agenda Item 9

The Finance Manager noted the following points from the Quarter 3 forecast (as at end of Dec 2022, looking forward to where is expected to be at 31 March 2023):

Income

- Increased interest rates resulting in £9,586 more income than included in budget.

Expenditure

- Board funded schemes overall are expected to come in around budget.
- Grant funded schemes- £225,000 deferred into the next financial year when the grant will be claimed.
- Estimated the Pumping Station Maintenance will be £76,076 overspent.

The Finance Manager noted the following points from the Period 10 Management Accounts:

Income

- Brewin Dolphin Income is £783 greater than Q3 Forecast.
- Interest is £458 greater than Q3 Forecast.
- £16,800 unexpected income for consents relating to the Strategic Pipeline Alliance.
- Rechargeable income £12,665 greater than Q3 Forecast.
- Solar panel income is £316 greater than Q3 Forecast.
- Overall income is £31,686 greater than Q3 Forecast.

Expenditure

- Pumping Station expenditure is £22,640 greater than the Q3 Forecast.
- Drain maintenance is £41,957 underspent compared to budget, but this is expected to be spent before the financial year end.

Cllr M Head referred to the environmental schemes, questioning whether the Board would be interested in working collaboratively with district and parish councils? The Finance Manager wasn't sure what environmental work could be done collaboratively. The Operations Manager added that it is about whether there is any commonality in works and how it would work for all parties, noting that the Board don't own a lot of land and so are restricted in what can be achieved. The Environment Committee Chairperson noted that potentially the surveys and consultancy work could be completed collaboratively. Cllr M Head noted that he will talk with the relevant people, and they will get in contact with the Operations Manager.

Balance Sheet

The Finance Manager brought the below outstanding debtors to the attention of the Board:

- | | | |
|--------------------------|------------|--------------------------------|
| • Balfour Beatty | £ 4,250 | 14/12/2021 |
| • RTW Group Ltd | £23,240.08 | 25/07/2022 |
| • Seagate Homes (UK) Ltd | £17,861.68 | 22/09/2022 (has now been paid) |

The RTW Group Ltd is for a housing development that has not been started yet, and so the Finance Manager is not too concerned about that.

The Balfour Beatty relates to consents for Viking Link and have been chased numerous times. Balfour Beatty agreed by email that they would pay, before the invoice was sent. The Finance Manager suggested that he writes to them to inform them that the Board intends to proceed with recovery proceedings and if that isn't successful, consider small claims court.

Mr R Needham noted that it may be beneficial to contact Dalcour Maclaren, who are the agents for National Grid. Mr C Wray added that it may be beneficial to contact National Grid.

2095 To consider a report on the possible replacement options for the Twiga SPV2 - Agenda Item 10

The Operations Manager referred to his report outlining options for the replacement of the 2015 Twiga SPV2 machine, due for replacement in the next financial year.

The Operations Manager reminded the committee that the Board purchased their first Twiga machine in 2011 and now operate three Twiga machines, with the amount of flail mowing having increased over the year (predominately Environment Agency (EA) contract work). The Operations Manager added that he does not see the EA work decreasing, noting that it has increased year on year.

The Operations Manager continued by explaining to the Board that a number of different problems with all of the Twiga machines have been encountered over the twelve years of operating them.

The current three machines are all of different specification, the Operations Manager noting not only the cost to repair the machine, but the cost to the Board when the machine is unable to work, referring to December 2021 when one of the Twiga machines was unable to operate for 6 months.

The Operations Manager also reminded the Board that the cutting season has been shortened because of environmental reasons and so the Board need a reliable and productive machine to complete the works in the time period.

JCB Hydradig

The Operations Manager noted that the Southern Works Committee were able to see a demonstration of Welland and Deepings IDB's JCB Hydradig last year.

The Operations Manager expressed his concern for the suitability of this machine, noting that, fundamentally, it is a digger that a flail can be put on. The Operations Manager continued that the Board already has excavators that flails can be put on, but they are not flailing machines.

The Operations Manager acknowledged the lower price of the JCB Hydradig (estimated £185,000), but emphasised that he didn't believe the specification is suitable for the quantity of flailing required of it.

Hooby MH115

The Operations Manager next referred to the Hooby machine, which the Operations Manager believes has the closest specification to the Twiga.

The Operations Manager explained that the bottom half of the machine, below the cab, is all JCB. Hooby have an agreement, whereby they buy JCB machines and modify them into the Hooby.

There are currently over 30 of these machines operating in Holland, but none in the UK. The Operations Manager explained that the company fabricate their own arm and all the electrics and the hydraulics are their own.

The Operations Manager added that he feels this machine is an equal replacement for the Twiga and will do as good a job, with more benefits. Further highlighting its versatility, it being a lighter machine and it's stability (in order to be able to complete EA works it has to pass a stability test).

Prices and Availability

Currently, a trade in valuation of £60,000 has been offered for the Twiga.

The prices of the potential replacement machines were noted, as below:

Hooby MH115	£288,295
Alpha 97XT	£285,684
JCB Hydradig	£185,000 (estimate)

The lead times of the potential replacement machine were noted, as below:

Hooby MH115	Built to order, would be April 2024 before received.
Twiga	Currently have a demonstration machine available.
JCB Hydradig	5 – 6 months.

Mr P Holmes questioned if there is a blind spot when operating the Hooby, reversing from left to right? The Operations Manager responded, no, it will flail going forwards. It was also confirmed that a front linkage can be put on it for a front flail. Mr P Holmes noted that, having spoken to operators of Welland and Deepings IDB's JCB Hydradig, they are experiencing some operational problems with it, adding that he believed the Board should order the Hooby machine.

Cllr M Head questioned about the UK Warranty? The Operations Manager responded that they have contacted Watling JCB, who have expressed that they are happy to deal with the JCB part of the machine (including two-year warranty) and couldn't see a reason why they couldn't also take on the maintenance of rest of the machine also. The Operations Manager noted that the Hooby has a sister machine in Wales, which has been operating there for five years, and the team in Holland have never had to go out to it.

Cllr M Head next questioned if the exchange rate is fixed at the time of order? The Operations Manager responded that yes, he would expect so.

Cllr T Ashton felt that the purchase of a Hooby would be a brilliant move for the Board, further noting the relatively little price difference between a Hooby and new Twiga. Cllr T Ashton also suggested that there may also be some discount for being the first machine in the country.

Mr C Wray noted that, from his understanding, the JCB Hydradig is not fit for purpose. Further questioning if the Mecalac machine had been considered? The Operations Manager responded that it is too much like the Hydradig.

Mr V Barker questioned the tyre configuration? The Operations Manager noted that the Board would specify the same configuration as the Twigas. Mr V Barker suggested that if the Hooby had the ability to tow, it would improve the efficiency of operations, by reducing time that machines are waiting to be moved by the Unimog. The Operations Manager noted that there is quite an extensive list of options that can be added to the Hooby specification, noting that if the Board wanted it to have towing capacity it would be an additional £16,000. The Operations Manager noted that it is whether it is cost efficient to have this added.

Cllr T Ashton noted that if the Operations Manager believed it would be used then he would support this addition.

Proposed by Cllr T Ashton, seconded by Mr V Barker, all AGREED to purchase the Hooby MH115 machine, with delegated discretion to the Board's Officers regarding required extras such as towing capacity.

(i) New JCB 140X

Photos of the new JCB 140X were displayed on screen.

(ii) Aebi Machine for Sale

The Operations Manager explained that the Board currently operate a 66 plate registered Aebi machine, purchased in 2017, which is not due for replacement until 2028/29.

However, the Operations Manager continued that an Aebi machine has become available; an order was placed with the manufacturer, but the original customer now doesn't want it.

The machine has done two hours work and should be priced at £95,000 but has been offered to the Board for £70,000. There are some subtle differences between this new machine and the Board's current machine, but they are basically the same. It would cost the Board £50,000 to change. It is not currently budgeted for but is affordable.

The Chairperson felt it is a deal that the Board should take.

The Operations Manager confirmed that the machine is used for the health and safety cuts for the Environment Agency works.

The Finance Manager added that there is a £25,000 saving on the recommended retail price.

Cllr T Ashton noted that to replace it in 2028/29 would cost considerably more.

All AGREED to purchase the Aebi, at a change cost of £50,000.

2096 Review the Risk Register - Agenda Item 11

It was noted that the only Risk score of 6 relates to the risk of insufficient finance to carry out works.

The Board RESOLVED that the Risk Register be accepted.

2097 Reports on the following: - Agenda Item 10

(a) Monthly Accounts (November 2022 - January 2023)

The Board's monthly accounts, inclusive of November 2022 - January 2023, were circulated. The Board RESOLVED that this report be noted.

(b) Monthly Accounts: Woldmarsh (October 2022 - December 2022)

The Board's monthly Woldmarsh invoices, inclusive of October 2022 - December 2022, were circulated. The Board RESOLVED that this report be noted.

(c) Schedule of Consents (November 2022 – January 2023)

The Chief Executive presented the Schedule of Consents, consisting of November 2022 - January 2023, copies of which had been circulated. The Board RESOLVED that this report be noted.

(d) Rainfall

The rainfall figures at Swineshead and Black Hole Drove were presented, copies of which had been circulated. The Board RESOLVED that this report be noted.

2098 Receive the ADA Lincs Branch Minutes - Agenda Item 13

It was noted that there was no attendance from the Environment Agency at this meeting. It was also added that the reference to Ian Warsap on page 91 is incorrect and should be Jane Froggatt.

The Board RESOLVED that the draft Minutes from the Joint ADA Lincs / Welland and Nene Branch Meeting held on 20th October 2022 be received.

2099 Authorise the Sealing of the Rate for 2023/24 - Agenda Item 14

It was RESOLVED that the Chairperson and Finance Manager be authorised to seal the Drainage Rate and Special Levies for the year 2023/24 as follows:

(a) Drainage Rates

	<u>Rate in the £</u>	<u>Estimated Amount of Drainage Rates Payable</u>
Sub-District No 1 – Being so much of the said Internal Drainage District as comprises the area of the Borough of Boston as constituted and in existence immediately before 1 st April 1974.	8.765p	
Sub-District No 2 – Being the remainder of the Internal Drainage District.	17.53p	
		£1,458,980.18

(b) Special Levies

Boston Borough Council	£ 1,139,128.16
South Holland District Council	£ 213,985.74
North Kesteven District Council	£ 97,415.80
South Kesteven District Council	£ 80,851.16
	£ 1,531,380.86

There being no additional business the meeting closed at 16:05.