

NORTH EAST LINDSEY DRAINAGE BOARD

Minutes of a meeting of North East Lindsey Drainage Board, held on Tuesday 23rd January 2018 at The Amethyst Hotel, East Halton, North Lincolnshire, DN40 3NS at 2pm.

Present:

Mr. M. Archer
Mr. S. Bedford
Mr. R. Clayton
Cllr. I. Colquhoun
Mr. J. Finch
Mr. L. Grooby
Mr. J. F. D. Hargreaves
Mr. P. Hoyes
Alderman Mr. P. Mills
Mr. S. Shepherd.
Cllr. D. Wells.

Vice Chairman
Chairman

In Attendance:

Miss. J. Flower, Executive Assistant.
Mrs. J. E. Froggatt, Chief Executive.
Mr. S. Larter, Finance Consultant.
Mr. M. J. Shilling, Director of Operations & Engineering.

1. Apologies

Apologies for absence were received from Cllr. M. Brown (NEL Council), Cllr. P. Clark (NL Council), Cllr. M. Cracknell (NEL Council), Mr. J. M. Dodds, Cllr. Mrs. J. Goodwin (NEL Council), Cllr. H. Hudson (NEL Council), Cllr. B. Parkinson (NEL Council) and Cllr. M. Patrick (NEL Council).

2. Declaration of Members' interests.

Members nominated by North Lincolnshire and North East Lincolnshire Councils declared interests relating to their respective Councils.

3. Chairman's Announcements.

The Chairman opened the meeting welcoming members and advising that Cllr. Matthew Brown had been nominated as a Board member this week by North East Lincolnshire Council. Matthew replaces Cllr. Dave Watson who attended a Board meeting but subsequently withdrew from membership, due to a perceived conflict of interest as a cabinet member at the Council.

It was with regret the Chairman informed members of the resignation from the Board of Mr. George Turner on Saturday, 20th January with immediate effect. George represented the Electoral ward of East Halton, Thornton and Ulceby (one of two representatives, the other being Mr. John Finch). George had asked that his best wishes for the future be passed to all members. Options for a co-opted member would be considered.

4. Minutes of the Board meeting and Annual Public Meeting held on 14.11.17.

The minutes of the Board meeting and APM held on Tuesday, 14th November 2017 were APPROVED as a true and accurate record.

There were no matters arising.

5 Minutes of the Joint Services Committee held on 11.12.17.

The minutes of the JSC held on 11th December 2017 were noted.

There were no matters arising.

6. Returning Officer appointment and approval of the Elections Timetable for 2018.

A paper and timetable had been circulated with the agenda. The purpose of the paper was to set out the proposed timetable for the 2018 Elections to each of the four Boards, to highlight the change in relation to Elections advertising requirements since 2016 and to ask members to formally nominate the Chief Executive as Returning Officer for the four Elections.

Each of the four Boards has an Electoral term, for those Board members directly elected by the owners or occupiers of land, which runs until 31st October 2018. The new Electoral term of office therefore runs from 01st November 2018 for three years to 31st October 2021.

Members who are nominated to Boards by those Councils who pay Special Levy monies are unaffected by this election process. Those Council nominated members are frequently nominated as “representatives on outside bodies” for the period of one civic year (sometimes two to three civic years), usually from May. That nomination process continues outwith this election process.

Defra issued a Ministerial Direction on 27th April 2016, under regulation 28 of the Land Drainage (Election of Drainage Boards) Regulations 1938 (as amended). The effect of the Direction is to confirm that any notice, certificate or declaration required under the Regulations may be advertised through publicly available websites instead of only by insertion in one or more newspapers circulating in the Internal Drainage District. IDBs may still advertise notices in local newspapers if they so wish. IDBs can also place the notice, certificate or declaration in additional places such as publicly available notice boards, local magazines, newsletters and other such circulars distributed to residences and businesses within the Internal Drainage District to ensure access for those people who do not have internet facilities.

Members discussed:

- Were there any existing members who intended to stand down from 31.10.18 and who would not seek re-election? Early notification of this would help to plan an orderly transition and to encourage people to stand for election in those electoral wards where we know there will be a vacant seat.
- Identification of potential candidates to fill existing vacant seats.
- The level of public advertising which the Board should undertake.

Members AGREED to place the required Elections advertisements on the Board's publicly available website and also in local newspapers (Grimsby and Scunthorpe Telegraphs). The costs incurred in 2015 for the Elections process for newspaper advertising was £671.46. Members also AGREED that the Notification of Drainage Rates should also include information on the election process.

9. Chief Executive's Report.

The Chief Executive's report had been circulated with the agenda. Items highlighted to members included:

- External Audit (item 2.0 refers).

Members were advised that Officers had attended a webinar on the morning of 23rd January 2018, which provided guidance and training on new requirements.

- Training and Development.

Members were requested to 'save the date' of 20th March 2018 for a joint training event, with venue and programme to be confirmed.

Members noted the report.

10. Schedule of Expenditure for 01.11.17 to 31.12.17.

Members had received with the agenda a Schedule of the Expenditure incurred for the two months 01st November to 31st December 2017.

Gross expenditure for the period totalled £168,262.85 or, net of £11,067.94 reclaimable VAT from HMRC, £157,194.91.

Members received and NOTED the expenditure incurred in the two months to 31st December 2017.

11. Financial Performance Report 2017/18, to 31.12.17 (Month 9) and the forecast position as at 31.03.18.

The Financial report for 2017/18 as at 31.12.17 and the forecast position for the year end on 31.03.18 had been circulated with the agenda. This set out the summary position as follows:

Profiled Budget P9	Actual (Surplus)/Deficit	Variance
£	£	£
(97,503)	(93,331)	4,172

Whilst the Board was currently showing a broadly balanced position against budget, with only a £4,172 variance, Members were reminded that some of the 'high risk' spend areas had not yet been incurred (e.g. electricity during winter months etc). These figures included the two pump lifts which had taken place at Mawmbridge Pumping Station as reported to the last Board meeting. The budget of £10k made provision for one pump lift but given the condition of the first pump when lifted, the second was also lifted and required refurbishment at a total net cost for both pumps of £24,244

	2017/18 Estimate	Profiled Budget	Actual	Variance	Provisional Outturn	Variance (5-1)
	£	£	£	£	£	£
Income	(545,876)	(545,876)	(609,724)	(63,848)	(610,847)	(64,971)
Board & General Admin	34,650	23,188	24,848	1,660	36,660	2,010
One Off Schemes	0	0	380	380	380	380
Conservation	2,500	1,872	1,017	(855)	1,500	(1,000)
Depot/Office	13,320	12,371	12,443	72	13,683	363
Drains	107,400	103,556	104,434	878	116,586	9,186
Pumping Stations	39,613	34,615	49,469	14,854	65,194	25,581
Staffing & Joint Admin	70,296	37,020	39,439	2,419	74,303	4,007
Consents & Enforcement	0	0	0	0	0	-
Engineers & Works Supervisor	117,078	74,732	72,958	(1,774)	123,290	6,212
Contribution to Reserves	0	0	34,099	34,099	34,099	34,099
PWLB	0	0	0	0	0	-
Rechargeable Works	0	0	16,287	16,287	16,287	16,287
EA Precept	161,019	161,019	161,019	0	161,019	-
FRS17 Pension Adjustment (net)	0	0	0	0	0	-
Wages & Plant Holding Account	0	0	0	0	0	-
(Surplus)/Deficit	0	(97,503)	(93,331)	4,172	32,154	32,154

The main income streams had been received in terms of Drainage Rates and Special Levies. Drainage rates invoiced were (£2k) more than the budget provision, following the exercise to digitise each parcel of land. All of the Special Levies had been received for the financial year, including now the second tranche of monies having been received from Councils on 01.11.17.

Rechargeable Works covers the recovery of costs incurred in connection with the proposed new pumping station at Killingholme Marshes and recharged to Able UK Ltd. This was (£16k) of income with the corresponding costs shown in Rechargeable Works. Highland Water claims had been submitted to the Environment Agency for the 2016/17 balance on actual costs with a further balance of (£12,210) due and also for the 2017/18 claim Estimate (£47,000). 80% of the estimated claim for 2017/18 (£37,600) was due to be paid in September 2017. However, all outstanding monies were received on 15.11.17.

The Board had received (£3k) in development charges income for the Catch site at Stallingborough which was not budgeted for and a further amount had been invoiced to Peter Ward Homes Ltd for the Habrough Fields site (£31k). When received these amounts totalling £34k will be transferred to reserves to meet ongoing expenditure in the future.

For Drains (£1k) and Pumping Stations £15k the main variance was the pump lifts at Mawmbridge at £24k. Other variances included repairs and maintenance, at Pumping Stations this was £6k with no corresponding budget. Payments of £99k had been made so far to the new contractor for the first two phases of the summer works programme, with a circa £10k budget pressure anticipated over the full year, as previously reported to the last Board meeting.

The invoices for the first six months of 2017/18 at the end of September 2017 had been produced and paid by the four Boards for Staffing & Joint Services (with only a minimal variance). The Joint Services Committee monitors these budgets and there was overall minimal variance.

The invoices for the first six months at the end of September 2017 had been produced and paid by the Boards for Director of Operations/Engineers/Works Supervisor (showing only a £2k variation). The Joint Services Committee monitors these budgets and at the last quarter end there was overall minimal variance. This also included the cost of the Board's Works

Supervisor and the part time retained Engineer, as a cost wholly to NELDB and outside the Joint Services arrangement.

The current position of the Drainage Rates collected for 2017/18 was reported to members. The collection rate was at 66.0%. First reminders were despatched on 13.09.17 and final reminders were despatched on 15.11.17, upon completion of further queries. At this stage a court date had not been set.

Rating queries were still being received and resolved and there were still some areas of land for which an owner had not been identified. This was an ongoing process and would include site visits as required. It was also noted that areas of land had been identified which are now subject to Special Levy (i.e. they are no longer agricultural land or buildings) and these will be transferred at the developed land transfer rate to the relevant Council.

Bank Balances and investments were set out as follows, as at 31.12.17:

Barclays Bank plc					
Payments Account				£	1,854.21
Receipts Account				£	34,415.66
General Deposit Account				£	270,600.83
Developer Contributions Account	}			£	131,239.61
Nationwide Instant Access	}			£	150,000.00
			Total	£	588,110.31
					£ 281,239.61

Whilst this was a healthy current position, it was highlighted that it included most drainage rates income and the second tranche of Special Levy payments from Councils. There would be no further significant income anticipated until May 2018, so balances would reduce over the following months.

Members received and NOTED the 2017/18 financial position of the Board to 31.12.17.

A Projected Outturn Position as at 31st March had been estimated. This showed a forecast deficit position of £32k for the end of the financial year. However, this contained some manual provision including electricity £5k, pump lifts and associated works £4k and provision for some winter works £5k. It also directly reflected the additional cost of both the two pump lifts and the new contractor who started in July 2017. Based on these assumptions, the main variations at year end will be pump lifts £18k, mowing contract £11k, retained Engineer £9k and winter works £5k. This would be offset by additional income for Highland Water (£11k).

Members received and noted the forecast provisional outturn as at 31.03.18.

12. Joint New Risk Register.

A report and the proposed new joint Risk Register had been circulated with the agenda and the Chief Executive introduced this item explaining that it would be a new version covering all four Boards. North East Lindsey had previously had its own individual register and this had been incorporated along with the previous version which three of the four Boards had in place. This was outdated and becoming cumbersome, as more detail was added with each iteration.

The Register attempts to capture the high-level risks the four Boards face, which are generic to all four Boards with any specific risk to a particular Board highlighted.

The Risk Register is considered by the Board at least twice annually, it must be agreed in January ahead of the agreeing the budget for the following financial year and again in May when the Annual Governance Statement is completed. The new Internal Auditor TIAA, (Chris Harris, Audit Director), will be revisiting the Risk register when he visits on 13th, 14th and 15th February 2018.

Cllr. Wells suggested that it may be prudent to include a small section on protection from contractors, citing the recent Carillion company collapse as an example. This suggestion was duly noted and would be included in a future version and Members were then content to APPROVE the Risk Register.

13. Estimates for 2018/19, the recommended Joint Services Budget and one off schemes.

A report had been circulated with the agenda and the Finance Consultant explained that detailed work had been undertaken to review the actual income and expenditure as at 31st December 2017 and this has been projected forward to provide an indicative outturn position as at 31st March 2018 as covered in the earlier report. This position has then been used to inform the budgets for 2018/19, together with any known cost pressures, necessary developments and known savings.

The summary of the Joint Services budgets were also provided, which were recommended by the four Boards' JSC meeting on 11th December 2017 after the committee had reviewed the proposed budget.

In terms of inflation and other factors, pay and associated costs have been increased by 2%, NNDR by 4%, with all other costs having a 0% inflationary uplift unless any adjustment had been required to rebase the budget.

A balanced budget position can be achieved for 2018/19 based on these assumptions and a proposed 0.00% penny rate increase.

Drainage Rates have been reduced by £1k to reflect the current Drainage Rate base and the transfer of land to Special Levy. Special Levies have increased (£49k) to reflect the land adjustments. It is assumed the penny rate will not increase in 2018/19. Highland Water (£8k) has been rebased to reflect the estimated claim for 2018/19 submitted to the EA.

Main increases on drains are for the summer maintenance contractor £18k and provision for a winter maintenance programme £7.8k.

A budget for repairs and maintenance at Pumping Stations £5k has been included and the budget for Pump Lifts has been increased to £25k from £10k. This work is essential to ensure pumps are inspected on a regular basis and is a condition of our insurance policy.

The Joint Services Committee, on 11th December 2017, recommended the JSC Budgets to the four Boards for inclusion in each Board's detailed estimates. There was a realignment of budgets to match where posts are actually held, so the Executive Assistant budget has been moved from Upper Witham IDB to Witham Third IDB (to match where the employment contract is now held) and the GIS post has been moved from 'Administration' to 'Engineering' – hence the net shift between these two areas.

The total of all the stated Variations is £0k. On this basis, a balanced budget can be achieved for 2018/19 based on the assumptions stated for 2018/19 with a 0% increase in the penny rate. Members have agreed a policy of holding a general 'Revenue Reserve' for emergencies of 10% to 15% of turnover and the balance held in 'earmarked reserves' for particular requirements.

It was proposed the reserve balances be allocated on the following basis:

Reserve	2017/18 b/f £	2017/18 c/f £	2018/19 c/f £
Revenue Reserve	(105,752)	(73,598)	(73,598)
Pumping Stations	(227,762)	(227,762)	(227,762)
Conservation	(11,634)	(11,634)	(11,634)
Rosper Road Pits	(7,559)	(7,179)	(7,179)
Board Management	(46,527)	(0)	(0)
Developer Contributions			
South Killingholme	(154,547)	(154,547)	(154,547)
North Killingholme	(2,151)	(2,151)	(2,151)
Catch Site		(3,670)	(3,670)
Habrough Fields		(30,739)	(30,739)
Balance	(555,932)	(511,280)	(511,280)

The Revenue Reserve is the general 'contingency' reserve and will be utilised for any unexpected or emergency purposes which cannot be contained in the revenue budget. The balance, assuming a deficit position on the Revenue Account at the end of the current financial year of £32k, will equate to 12.3% for 2018/19. The Board can agree to reallocate balances between funds at any time.

The pumping stations reserve can be used for maintaining the fabric, pumps, and other 'one off' spends required at pumping stations. This is judged as necessary given the age now of the fabric of the pumping station buildings and the pumps themselves.

The Board Management reserve was established to meet the transitional costs of moving to new administrative, operational and engineering services arrangements from 1st April 2017. One of costs for the residual staffing and associated costs have been charged in 2017/18 leaving a modest balance on this account. It is proposed this balance is dealt with as part of the year end close down process for 2017/18.

The total of all the stated Variations was £0k and on this basis a balanced budget could be achieved for 2018/19, based in the assumptions stated for 2018/19 and with a 0% increase in the penny rate.

Members approved the Estimates for 2018/19.

14. Annual Value, Drainage Rates and Special Levies.

A report had been circulated with the agenda and the Finance Consultant introduced this item for members to discuss.

The Annual Values must be formally approved by the Board each year. These commence with those brought forward from last year's rate setting as at 31.12.16, with movements during the calendar year required for land that has been developed or is no longer used for

agricultural purposes. This land transfers out of Drainage Rates and is allocated to the Special Levy for the appropriate Council.

The Annual Values as at 31.12.16 were:

	Total £
Drainage Rates	647,383
North Lincolnshire Council	3,085,876
North East Lincolnshire Council	9,577,854
West Lindsey DC	27,734
Total	13,338,847

The land movements between 01.01.17 and 31.12.17 that require transfer from Drainage Rates to Special Levy are summarised below:

Council	Area ha
North Lincolnshire Council	144.20
North East Lincolnshire Council	207.83
West Lindsey DC	16.36
Total	368.39

The land is removed from Drainage Rates at the known Annual Value and transferred to Special Levy at the 'Developed Land' rate, as calculated on 1993 values, of £3,485.74 per hectare. The developed land rate calculated on the 1993 values is as follows:

	Acres	Hectares	Annual Value	Rate per Hectare
Agricultural	18,930	7,661	671,801	£87.69
Developed	8,881	3,594	12,527,747	£3,485.74
Total	27,811	11,255	13,199,548	

Members were advised that more work is required to reconcile all the historical land movements and Annual Values and therefore further changes may be required when setting next year's Annual Values and associated impact on Special Levies.

The changes set out results in the following Annual Values as at 31.12.17

	Total £
Drainage Rates	615,097
North Lincolnshire Council	3,588,502
North East Lincolnshire Council	10,302,299
West Lindsey DC	84,775
Total	14,590,673

'Penny Rates'

The following 'penny rates' will be applicable if the 0.00% change as proposed is agreed:

	Penny Rate (p)
Current	3.8000
Proposed	3.8000

This will reduce, net of land movements, the amount generated from Drainage Rates from £24,601 to £23,374 (-£1,227).

Special Levies

The changes will also have the following impact on Special Levies including the rebasing of the Annual Values for the land transfers for each Council as follows:

	Current £	Proposed £	Difference £	Increase %
NLC	117,263.29	136,363.08	19,099.79	16.29
NELC	363,958.45	391,487.36	27,528.91	7.56
WLDC	1,053.89	3,221.45	2,167.56	205.67
Total	482,275.63	531,071.89	48,796.26	10.12

To summarise, income to the Board increases by a total of £47,569 (being an increase of £48,796 in Special Levy and a net decrease in Drainage Rates of £1,227 due to transfer of agricultural land to other developed land).

Members therefore APPROVED the following:

1. The transfer of land from Drainage Rates to Special Levy as set out above
2. The land valuations as at 31.12.17 upon which Drainage Rates and Special Levies are calculated was set at £14,590,673.
3. The 'penny rate' was retained with a 0.00% increase (3.8000 pence for all areas).
4. The Special Levies 2018/19 were agreed for each of the three Councils as:
 - a. North Lincolnshire Council £ 136,363.08
 - b. North East Lincolnshire Council £ 391,487.36
 - c. West Lindsey District Council £ 3,221.45
5. The Chairman and Chief Executive were authorised to sign the 'Rate Book', apply the seal of the Board and publicise the revised penny rates, estimated Drainage Rates and Special Levies before 15.02.18.

15. Health and Safety Update.

A report had been circulated with the agenda.

Members were advised that North East Lindsey's Contractor (Eric Carnaby and Son Ltd) damaged a gas pipe while Weed Cutting. The pipe was inadvertently punctured by the point on the Weed Basket, as the pipe was under the water and level with the top of the silt so it was not visible to the operator. There were no markers on the banks and it did not show up on a utilities search. The pipe was subsequently repaired and now runs above the bed of the drain, which is still not ideal, and discussions will take place with utility supplier to try and resolve the placement of the pipe. Fortunately, no one was hurt in the incident.

Members noted the Health and Safety update.

16. Director of Operations & Engineering Services' Report.

- Planned Maintenance

The Board's contractors, Eric Carnaby & Son Ltd, have completed the mechanical clearance of vegetation required in the Summer Maintenance programme. Those watercourses to be cleared by hand will be completed during January. There will be some small amounts of additional work to be undertaken to clear bushes, for example, during February. John Finch commented that he had identified some areas that still required work and Officers would make contact with him to ensure these details were passed to the contractor.

The Board's officers met with the contractor on 07th December to review progress of the contract and discuss any issue regarding payments, work required over the winter and the summer of 2018. During the past season, the contractor has employed a tractor / flail combination working ahead of two excavators undertaking the clearance of vegetation from the channel bed. It was the intention to employ two tractor/flail combinations with two excavators from the start of the 2018 summer programme in July. This should increase their completion rate and possibly improve flexibility when dealing with harvested/cropped fields.

Discussions also referred to the damage of a domestic gas main connection and potential review of rates for the 2018 season.

- Middle Drain Pumping Station

The Environment Agency has produced a draft written report following an internal investigation to clarify why high levels were experienced during the work to replace the old sea doors at this site on 21st August 2017. Whilst the cause is widely known, the reasons why it happened need to be established to ensure such an event does not happen again in similar circumstances. A meeting was held with EA officers on 11th January.

Now the gravity outfall will now work as designed, the Board's officers have received estimated costs for the installation of an automated weed screen cleaner at this station. This work will include the replacement and extension of the current weed screen.

Estimates would be requested for the refurbishment of the pump control panel. The pumps are controlled by the original panel from 1972 and this does not meet current electrical safety regulations and a number of faults are evident within the current arrangement.

Both the weed screen cleaner and refurbishment of the pump control panel would be funded from the commuted sums received by the Board by developers to ensure the appropriate standard of protection is provided.

The Board is also seeking quotations for the topographical survey of the Middle Drain system. Information regarding the capacity and standard of protection provided by the system by developers. The Board does not currently hold information of sufficient accuracy to answer their questions and it was been agreed that should the Board commission various surveys and modelling them the developer will contribute to the completion of this work on the understanding that they will have access to its results.

- Public Sector Co-operation Agreement

The Chief Executive and Director of Operations met with Norman Robinson, Area Director for Lincolnshire and Northants at the Environment Agency, on 27th November to discuss a number of issues including the use of PSCA within the district. The Agency agreed to advise the Board of work that could be completed using this agreement and to arrange further meetings to confirm the extent of these works.

It was clearly explained that systems properly maintained, such as the Skitter Beck catchment, would be of benefit to the Board's rate payers and reduce the risk of poor drainage and flooding to many rate payers within the district.

Cllr. Wells asked if Officers were aware of an issue at Barrow Haven, with a gate not opening. Martin Shilling advised that he would raise this issue with Anglian Water.

Members received and NOTED the report and verbal update.

Sam Bedford left the meeting at 16:00

17. **Consents and Enforcements Report.**

A report had been circulated with the agenda. Members were advised that there was only one item being an Enforcement Issue, to bring to attention of Members, being as follows:

Reference	Location	Description / Comments	Actions
None			
ND-3694-2017-ENF	39 Brocklesby Avenue, Immingham	New fence erected on a Boards watercourse	Awaiting removal of timber fence which has been taken down

Members received and NOTED the report.

18. **Engineering Services Report.**

A report had been circulated with the agenda which provided information on the planning applications received by the Board and detail of the comments submitted to the relevant Local Planning Authority (LPA).

Members discussed the content and NOTED the report.

19. **Any other Business.**

19.1 **ADA Conference and 80th Anniversary, 2017.**

Mr Lionel Grooby provided the meeting with an update from the ADA Conference that he had attended along with the Chief Executive and representatives from the four Boards:

Dr Thérèse Coffey MP, Parliamentary Under Secretary of State for the Environment, provided the opening address and then took questions from the floor.

This was followed by keynote presentations from Sir James Bevan, Chief Executive of the Environment Agency, and Councillor Derek Antrobus, Lead Member for Planning and Sustainable Development at Salford City Council.

Later in proceedings, ADA's guest speaker Lord Deben, Chairman of the Committee on Climate Change (CCC), addressed delegates during the ADA luncheon.

As well as the 80th anniversary celebrations, the 2017 ADA annual conference was a special occasion with ADA marking ten years of incredible service from Henry Cator OBE, who stepped down as ADA Chairman. Vice Chairman Robert Caudwell assumed the role of Chairman during formal proceedings of the AGM at the end of the morning session.

The Conference once again brought together delegates from across the flood and water level management industry, including the Environment Agency, Internal Drainage Boards, Local Authorities, Regional Flood and Coastal Committees, Natural Resources Wales, DfI Rivers and many suppliers

20. Date, Time and Place of Next Meeting.

The meeting closed at 17:05 and the next meeting of the Board was confirmed for Tuesday, 29th May 2018 at The Amethyst Hotel, East Halton. **It will commence at 2.00pm**, rather than the usual 2.30pm.

.....Chairman.....Date

NEL BM 23.01.18.