

WITHAM THIRD DISTRICT INTERNAL DRAINAGE BOARD

Minutes of the eighty eighth meeting of Witham Third District Internal Drainage Board held on Tuesday, 27th January 2015 at Minting Village Hall, Lincolnshire, LN9 5RX at 10.30am.

Present:

Mr. P. R. Hoyes **(Chairman)**
Mr. M. I. Thomas **(Vice Chairman)**
Mr. R. Armstrong
Cllr. R. M. Avison
Mr. I. M. Clark
Mr. W. S. Crane
Cllr. C. J. Darcel
Cllr. I. Fleetwood
Mr. J. R. Garner
Mr. R. Hairsine
Cllr. P.M. Harness
Cllr. G. Hewson
Cllr. D. C. Hoyes MBE
Cllr. M.G. Leaning
Cllr. Mrs. F. M. Martin MBE
Mr. C. Mason
Mr. I. Parker
Cllr. P. Phillipson
Mr. D. J. Straw
Cllr. P. Vaughan
Mr. R. J. Weightman

In attendance:

Mrs. Jane Froggatt	Chief Executive
Mr. Martin Shilling	Director of Operations
Mr. Steve Larter	Finance Manager
Mrs. Anna Wilson	Finance and Rating Assistant
Mr. Andrew Barron	Senior Advisor, Flood & Coastal Risk Management, Environment Agency (for item 2311).

2308 Apologies.

Apologies for absence were received from Cllr. S. M. Avison, Cllr. B. Bilton, Mr. J. Boyall, Cllr. W. H. Gray, Mrs. J. Holland, Cllr. D. Jackson, Mr. J. C. Smithson, Mr. D. Straw and Mr. P.A. Spilman.

2309 Declarations of Interest.

Declarations of interest were received from members nominated by City of Lincoln, East Lindsey District and West Lindsey District Councils in matters relating to their respective Councils. Ian Clark declared an interest in item 2311, as an affected landowner.

2310 Chairman's Announcements.

The Chairman welcomed members and officers to the meeting. He also welcomed Andrew Barron from the Environment Agency and moved his presentation on the Horncastle Flood Alleviation Scheme to early on the agenda.

The Chairman highlighted to members, in advance of the presentation, that there was an exhibition this week about the Horncastle scheme in Horncastle Library and he encouraged members to visit.

It being the January meeting, the Chairman highlighted the focus was on the Board's financial performance at 9 months into the financial year (as at 31st December). The agenda then moved on, after the revised Risk Register and Internal Auditor's Interim Report on 2014/15, to the plant, vehicle and machinery programme. This and the proposed Motor Vehicles Allowances Policy had been factored into the proposed Estimates for 2015/16. Based on the Estimates and revised Annual Values as at 31.12.14, the Chairman was pleased to highlight that the Board was presented with a proposed financially balanced budget for 2015/16, assuming a 1.75% increase in the penny rate.

2311 Horncastle Flood Alleviation Scheme.

Andrew Barron presented to the Board the history to the proposed Horncastle Flood Alleviation Scheme, due to start on site shortly with enabling works prior to 31.03.15 and a scheme start on site in June 2015, with completion scheduled for February 2016. This £6.9 million scheme was stressed as EA led, but with partners including LCC, Witham Third DIB, East Lindsey District Council, Horncastle Town Council, and VBA as the contractor.

There had been a number of significant flood events in Horncastle. Some of those highlighted included the 1981 flood and an aerial view of the 26.06.2007 flood event. At least 200 properties were at risk of internal flooding, without the planned scheme.

In 2002 ELDC had granted planning permission for a flood alleviation scheme north of Horncastle. Approximately 2 years ago, the EA had examined the 2002 scheme and with the benefit of partnership funding from LCC, Horncastle Town Council and Witham Third's precept, a revised scheme was now planned for the area between Hemingby and Baumber. This incorporated a storage reservoir with an 800 metres long embankment at a height of 4 metres (maximum). The design was intended to have a minimal impact on landscape.

It was clarified that the scheme concentrates on flood alleviation from the River Bain. It does not include the River Waring, although a separate scheme to provide retrospective Property Level Protection (PLP) had been secured in Horncastle, with 10-15 property owners having signed up to this. Robert Caudwell, RFCC Chairman, and Fiona Martin representing Horncastle Town Council, had been active in encouraging participation in this Defra funded PLP scheme.

It was intended that the planning application would be submitted to ELDC by the end of February 2015 and as part of the application it was confirmed that the visual impact assessment would consider the scheme from 5 viewpoints, recognising the proximity to an Area of Outstanding Natural Beauty (ANOB).

The EA had used the WEM framework to select VBA as the contractor and it was reported that this had resulted in some innovative ideas and design. There followed design detail on the scheme, including the proposed Hydroslide on the outfall of the reservoir. It was explained that the float restricts the pipe size a little, so it will be open all the time but the rate of flood can be restricted at times when the EA needs to hold water upstream.

Following the presentation there was considerable discussion, incorporating the following points:

- the Chairman enquired whether, if something happens (a change in water levels) between the dam and downstream at Horncastle, can the structure be shut down?
- Denis Hoyes asked whether there was any telemetry to monitor levels between Horncastle Town Bridge and the proposed structure. Andrew Barron said no, the principle of this structure was to make it as simple as possible. EA colleagues wished to get rid of electronics/computers.
- Ian Fleetwood suggested the installation of a hydraulic ram on the structure at low cost to provide the facility to shut it down.
- John Garner raised his concern that the main drain, particularly south of Horncastle down the Bain Valley, is poorly maintained, e.g. Thornton Lock (the first weir) needs urgent maintenance.
- Denis Hoyes asked whether a similar ballcock design was in existence and working in Lincolnshire (Hydroslide river flow control) as he would like to see the evidence of it working in situ. It was confirmed there was no such local working example.
- questions were raised about the construction phase and it was confirmed that it was the intention to build the vast majority of the bank in summer 2015. The presence of water voles, and the licence to translocate them being available only in spring and winter outside the breeding season, did mean it was planned to catch the water voles near the control structure in September 2015.
- Ian Clark declared an interest, as one of the landowners affected by the scheme and negotiations with the EA on a flood easement agreement. He expressed his disappointment at how the EA had neglected the timely engagement of landowners and set out his own experiences. Like most other landowners, he wished to see the scheme go ahead for the benefit of Horncastle, but he felt some urgency and pace needed to be injected to the landowner agreements if the timescale for the scheme was to remain realistic. Andrew Barron acknowledged this was a priority and that he had been asked by the Project Board to provide weekly progress updates on negotiations.

The Chairman thanked Andrew Barron for his briefing and presentation on the Horncastle scheme and stressed that the Board was entirely supportive of the need for the scheme, but was frustrated at apparent delays in some aspects of the scheme, particularly the apparent lack of progress on landowner agreements. He understood that the intervention of the RFCC Chairman, Robert Caudwell, had been helpful and that he was attending the Horncastle Project Board. The Chairman did feel, however, that two issues raised in discussion did require further consideration by the EA and Andrew Barron acknowledged this and undertook to respond to the following queries:

- what would happen if the structure became blocked?
- can the control structure be closed in an emergency?

2312 Minutes of the Board meeting & AGM on 18.11.14.

The Minutes of the Board's meeting, incorporating the Annual General Meeting, held on 18th November 2014 were proposed, seconded and APPROVED as an accurate record, subject to one amendment as follows:

"Cllr. P.R. Harness" to be corrected to "Cllr. P.M. Harness" in the list of those present.

MATTERS ARISING:

2312.1 Medium Term Plan (minute 2297.2 refers).

It was confirmed, by members of the Board who serve also as RFCC members, that the Medium Term Plan for 2015/16 had indeed been approved at the RFCC meeting on 16.01.15. No formal communication of such to the IDB had been received from the Environment Agency.

2312.2 Highland Water (minute 2297.3 refers).

It was reported that the working group convened by the EA to revise and simplify the Highland Water system intended to produce a report, including a new Procedure Note for claims, for the April round of the 3 relevant RFCC meetings.

Denis Hoyes added that, when Robert Caudwell completes his term of office as RFCC Chairman, the new Chairman for Anglian (Northern) RFCC from 01.07.15 is Mr. Eddy Poll (a former member of Lincolnshire County Council between 1997 and 2013). Defra had confirmed new RFCC Chairmen appointments on 09.01.15.

2312.3 Telephones (minute 2297.5 refers).

Some difficulties in O² network coverage were being experienced, following revised staff mobile phone arrangements in a 24 months contract let in November 2014. A list of 'not spots' in the district was under discussion with Challenger, for the three IDBs, asking them to remedy the situation. An update would be provided to the next meeting.

2313 Minutes of the Standing Committee meeting on 13.01.15.

The Minutes of the Standing Committee meeting held on Tuesday, 13th January 2015 were APPROVED as an accurate record and the recommendations to the Board from the Committee were NOTED.

2314 Minutes of the Joint Administration Committee on Monday, 08.12.14.

The minutes of the 3 Boards' Joint Administration Committee meeting held on Monday, 08th December 2014 were noted and that the Committee would meet again on Monday, 11th May 2015.

The Chief Executive summarised the purpose and outcomes from the meeting as three-fold:

2314.1 Financial Performance in 2014/15 (minute 5 refers).

The J.A.C. had reviewed financial performance for the first six months of 2014/15, to 30th September 2014. Against a budget for the period of £197,552 for joint administration, expenditure for the period was £196,802 (i.e. a positive variance of (£0.7k)). The Committee had been briefed that the next financial monitoring report would be compiled as at month 9, 31st December 2014, but that this would show a slight negative variance as an OS Scanner had been purchased at a cost of £4.5k in order to digitalise all the old maps, drawings, pumping station designs etc as the paper copies were deteriorating.

Although outside the scope of the 01.04.09 joint administration agreement, the J.A.C. was being used as the forum to monitor all other recharges between the 3 Boards as they increasingly work as a group of IDBs. There was a £3k variance only to 30.09.14 on these recharges between the Boards.

2314.2 Draft Joint Administration Budget for 2015/16 (minute 6 refers).

The J.A.C. had considered the proposed 2015/16 budget, both for joint administration and wider services. The Committee had been content to recommend the draft budget for approval to each Board and it was highlighted that it was therefore incorporated within the Estimates 2015/16 Report on the Board's agenda. The following were highlighted:

- the proposed J.A.C. budget is £376,359 for 2015/16, an increase of £11,706 (3.2%) on the approved budget for 2014/15. The increase is an assumed 1% pay award and the impact of Employers' pension rate increases for UW and W3rd Employed staff from 31.5% in 2014/15 to 32.5% from 01.04.15 (as part of the revised 3 year pension contributions agreed from 01.04.14).
- the 2015/16 budget is apportioned from 01.04.15 on the agreed, revised contributions of W1st 25%, W3rd 35% and UW 40% (from 30%, 30% and 40% respectively).
- the proposed budget incorporates the costs and savings impact of the recommended Option 7 for a revised Motor Vehicles Allowances Policy, which the J.A.C. discussed separately and the recommendations arising from that discussion were on the Board's agenda today.
- the costs of other recharge posts/cost between the Boards were shown in the 2015/16 budget, but the figures were shown separately from the joint administration total. If these figures were included, the total joint budget would be £706,001 for 2015/16 between the 3 Boards.
- the draft budget assumes that the (Interim) Engineer to the 3 Boards continues from 03.11.14 to 31.10.15 (with his costs apportioned UW 40%, W3rd 35% and W1st 25%), but it also assumes that this arrangement ceases from 01.11.15 when UW's substantive Engineer returns from his 12 months secondment.
- from 01.11.15 the budget assumption for the last 5 months of 2015/16 is that UW's Engineer reverts to UW as a 100% cost to that Board and that the (Interim) joint Engineer to the 3 Boards reverts to his substantive role of Engineer to W3rd and W1st (at the historical 50/50 cost sharing arrangement) until his planned retirement in early 2016.
- it was clarified that the proposed 2015/16 J.A.C. budget for joint administration, based on the revised percentage contributions, represented an increase of £4,682 for UW, an increase of £22,330 for W3rd and a saving of £15,306 for W1st.
- once all recharges between the Boards were considered on the 2015/16 draft budget (i.e. not just joint administration), the overall impact for each Board was an increase for UW of £18,781, an increase of £25,914 for W3rd and a saving of £22,394 for W1st. These figures exclude, however, the 7

months of saving in 2015/16 (from 01.04.15 to 31.10.15) on the UW Engineer post, which more than outweighs the additional £18,781 costs for UW.

2314.3 Review of the 3 Boards' Motor Vehicles Allowances Policies (minute 7 refers)

The third aspect to J.A.C. discussion on 08.12.14 had been the Committee's consideration of a report setting out detail of the 3 Boards' existing Motor Vehicles Allowances Policies and 7 Options for future arrangements.

The Chief Executive had summarised the 3 Boards' current arrangements as tied loosely to the April 2011 Lincolnshire ADA White Book Travel Allowances Policy, the Boards having agreed not to adopt the ADA 2012 Policy (W3rd on 24.04.12, W1st on 01.05.12 and UW on 14.05.12). However, there were local differences between the ADA policy and each Board's current arrangements with UW having traditionally a generous scheme, W3rd mid-way and W1st a somewhat less generous scheme. The current arrangements for each Board had been summarised, as follows for the J.A.C. meeting:

UW Current Policy.

- 7 of UW Operatives receive Essential User Allowance (EUA) in recognition of their provision of a vehicle for work duties (1 does not receive EUA because, as the Pump Man, he uses the Board's 4 x 4 vehicle). In 6 cases the EUA is £2,160 per annum and in 1 case it is £1,080 per annum.
- all 8 UW operatives are paid travel time to first place of work (be that the Depot or their machine) at basic pay rates. The return journey home is not paid. Up to 10 miles travel to work is paid at 15 minutes travel time, 11-20 miles is paid at 30 minutes, 21 to 30 miles is paid at 45 minutes and 31-40 miles is paid at 1 hour travel time (payment being capped at 1 hour maximum). In the sample 2013/14 year, paid travel time in UW cost £5,310.78 (plus Employer's Pension contribution cost of £1,672.89). This is a local arrangement, outside the White Book.
- travel miles from home to depot or first place of work (and onwards journeys) together with the return home journey is paid at the April 2011 ADA mileage rates (which is 95.92 pence per mile, for example, for a class 3 vehicle over 1,500cc engine size or 74.42 pence per mile for a 1,001 to 1,500cc car or 59.10 pence per mile for a car up to 1,000 cc for the first 4,000 miles – for mileage above 4,000 the reimbursement rate reduces).

W3rd Current Policy.

- the Board does not pay EUA to Operatives.
- mileage from Home to the Depot or first place of work and return to Home from the depot or last place of work (and all journeys in between) is paid at the ADA White Book rates of April 2011.
- the total journeys per day are paid, minus 8 miles per day when claims are processed at Witham House.
- no travel time is paid.

W1st Current Policy.

- the Board does not pay EUA to Operatives.
- mileage from Home to the Depot or first place of work and return to Home from the depot or last place of work (and all journeys in between) is paid at the ADA White Book rates of April 2011.
- as in UW, no mileage deduction is made on journeys.
- as in W3rd, no travel time is paid to Operatives.

Witham House staff (plus Director of Operations).

- other than UW's 7 Operatives, 4 staff are also paid EUA of £2,160 per annum for provision of a private vehicle for business use (i.e. the Chief Executive, the Director of Operations, UW's Engineer and UW's Assistant Engineer).
- these staff and other Witham House paid staff are paid travel mileage at ADA White Book rates of April 2011.
- no travel time is paid.
- the Internal Auditor has highlighted that the current arrangement for the Director of Operations needs to be reviewed, particularly the lack of a defined base and the high mileage undertaken (by the nature of the role), which means it would be more cost effective for the 3 Boards if a vehicle was provided and a base was designated.

The J.A.C. had discussed the existing travel policies which, for the sample 2013/14 year, cost the 3 Boards £137,899.51 (per annum). The individuals do not personally benefit to that extent, paying tax, National Insurance and in the case of UW travel time the Operatives pay Employee Superannuation at 6.5%. The net benefit to staff in the sample 2013/14 year was outlined at £101,983.89. However, the general feeling was that Option 1, the existing scheme, should change as it was overly complex, in some instances expensive, depended considerably on staff goodwill and a scheme needs to be clearer for HMRC purposes. The J.A.C. had considered each of Options 2 to 7, all of which were outlined the report. In summary, these were:

- Option 2 – Pay all staff HMRC Rates of 45 pence per mile for up to 10,000 Business miles per annum and 25 pence per mile thereafter.
- Option 3 – Introduce leased commercial vehicles for Operatives in all 3 Boards (except for those who use now the Boards' 4 x 4 vehicles), 2 leased commercial vehicles as pool vehicles for the use of Witham House based staff and a leased Commercial 4 x 4 vehicle for the Director of Operations.
- Option 4 – Retain and extend EUA, reducing the reimbursement rate per business mile for essential vehicle users to 45 pence and reducing the reimbursement rate per business mile for casual vehicle users to 65 pence.
- Option 5 – Reimburse all staff at one Casual User Rate of 65 pence per mile.
- Option 6 – Introduce leased commercial vehicles to Operatives in the 3 Boards and for the Director of Operations. Remove EUA for all staff currently in receipt of this. Remove paid travel time for the 8 UW Operatives. Reimburse everyone who provides their own vehicle for business use at a casual user rate of 65 pence per mile, irrespective of whether they are a regular or casual vehicle user (this option is a hybrid of Options 3 and 5).
- Option 7 – Introduce leased commercial vehicles in the 3 Boards for Operatives (except those who use the Boards' 4 x 4 vehicles) and a commercial leased 4 x 4 vehicle for use by the Director of Operations. Retain and extend EUA for qualifying Witham House based staff, but reduce vehicle mileage reimbursement rates for those staff to 45 pence per mile. Reduce mileage reimbursement rates to 65 pence per mile for Casual Vehicle users (this option is a hybrid of Options 3 and 4).

The pros and cons of each of the options had been discussed by the J.A.C. including financial savings potential but also balancing this with the adverse impact on staff. The report had also set out the views of staff, recorded following 4 staff consultation meetings (the 3 depots and Witham House). The views of the Internal Auditor, who had been sent a copy of the report, were also conveyed to J.A.C. members.

The Works Supervisor for W3rd and UW had joined the J.A.C. meeting and set out the potential benefits of moving to leased commercial vehicles for the Operatives. In addition to financial savings, these included:

- more efficient use of time. Operatives, for example, would go straight from site to collect repair parts for plant (avoiding trips to the depot in private vehicles to collect a Board's vehicle, which costs in travel miles and time) and then return direct to site to do the repair.
- avoids reliance on staff goodwill and staff making a private vehicle available (with heavy wear and tear off-road).
- gives greater operational resilience as each van could carry small tools and PPE, so operatives are ready to go from home at times of heavy rain/flood event.
- provides a professional image of the 3 Boards and may help future recruitment.
- simplifies time sheets and the amount of time spent on administration of the 3 current arrangements.
- eradicates the potential perverse incentive now to maximise mileage claims.
- standardises ways of working and remuneration across the 3 Boards.
- straight forward scheme, defensible to HMRC.

After discussion, J.A.C. members had supported Option 7 for operational reasons but also as it, based on 2013/14 mileage, would cost the 3 Boards £99,687 per annum (compared with the current £137,899.51 per annum cost) and therefore offered a savings potential of £38,212.26 per annum across the 3 Boards. This was distributed as a saving of £7,636.16 per annum on Witham House staff (to be apportioned between the 3 Boards), £28,985.97 per annum saving on UW Operatives, cost neutral for W1st prior to the apportionment of Witham House staff savings, and a saving of £1,666.56 per annum to W3rd prior to the apportionment of savings on Witham House staff.

J.A.C. Members had discussed the potential implementation of Option 7. Members supported in principle a reduction in the savings potential, in order to reinvest in buy out arrangements and/or increases in basic pay for Operatives.

The recommended implementation arrangements for Option 7 were recommended by the J.A.C. to each Board as follows:

- Upper Witham IDB Implementation.
Based on a potential saving of £28,985.97 plus £7,636.16 (share of Witham House savings) per annum on Option 7, it was recommended that the Board reinvests in two measures, given the potential impact on staff of £43,622.05 per annum. Firstly, the Board make a non-recurrent payment as a buy out of the one year's notice to staff, to enable the arrangement to be put in place from April 2015. Secondly, the Board could accept a regrading claim from the 8 Operatives to White Book Craftsman B grade, which would have a recurrent cost implication, but may be a reasonable compromise to make so that the financial penalty to staff is not too severe, goodwill/flexibility is not lost but enables the Board to still make annual financial savings. The 2014/15 pay scale for a Class 1 Operative was outlined at £347.70 per week (£9.15 per hour) and the upgrading to Craftsman B would take this to £388.36 per week (£10.22 per hour), but paid travel time and EUA would cease.

The cost of buying out EUA at £2,160 per Operative and £5k for the Foreman (who would receive no regrading) would be £29,234 (the sum is £20,120, but rises to £29,234 after Employer's Superannuation and NI contributions are included). The benefit to staff members, after tax, Employee's Superannuation and Employee's NI, would be £1,328 net for each of the 7 Operatives affected and £3,075 net for the Foreman. J.A.C. proposed that this £29,234 sum be met as a one-off payment from reserves in 2015/16.

In Year 1, therefore, UW would pay the one-off compensation sum of £29,234 to buy out current arrangements plus also incur the cost of upgrading 7 Operatives at £22,951. The £29,234 would be met from reserves and the £22,951 had been built into budget setting for 2015/16.

By implementing Option 7, but with these buy out and upgrading measures, there is a savings potential of £9,089 per annum (£6,035 from Operatives and £3,054 from UW's 40% share of Witham House staff savings). This £9.1k savings potential is a conservative estimate, based on a pre-tender estimate, and savings potential may therefore increase following a procurement process.

It was reported that Upper Witham's Board had approved the adoption of Option 7 and the recommended implementation arrangements from J.A.C. at its meeting on 26.01.15.

- Witham First DIDB Implementation.

The case for change from the current travel policy arrangements is less strong in Witham First, where the existing cost to the Board per annum is £10,369.12 (based on 2013/14 as the sample year). The workforce is smaller than in the other 2 Boards and as the Foreman and Pump Man use 2 of the Board's vehicles now, the Board's Motor Vehicles Allowances Policy affects only 3 Operatives plus the Board's share of Witham House staff and the Director of Operations. The Board does not currently pay EUA or travel time. Most Operatives live local to the depot and the business miles claimed from Home to depot or first place of work and return home tend to be fewer than in the other 2 Boards.

However, W1st does need to have a travel policy in place which is HMRC compliant and similar operational resilience benefits apply.

Implementation of Option 7, including the leasing of 3 commercial vans would be cost neutral to the Board and with the Board's pro rata share of savings from Witham House staff there is a savings potential of £1,832.62 per annum to the Board.

After discussion of buy out options set out in the paper (a non-recurrent sum and/or a regrading of 4 Operatives to Craftsman B), the buy out option was discounted by the J.A.C.

The cost of upgrading the 4 W1st Operatives to Craftsman B grade would recognise the skills level and role required of the Operatives, it would give pay comparability across the 3 Boards and potentially it would enable a common Motor Vehicles Allowances Policy to be agreed across the 3 Boards.

The cost to W1st of upgrading the 4 Operatives is £14.5k per annum, including the factoring in of overtime payments, Employer's NI and Superannuation. If the, conservatively estimated, net savings of £1.9k per annum on Option 7 travel are netted off, the Operatives could be upgraded at an additional cost to W1st's Board of £12,707 per annum.

The report set out how this £12.7k additional cost could be met within current approved estimates, without new cost pressures on ratepayers and Special Levies, by utilising some of the flexibility from the reduced 25% W1st J.A.C. budget contribution from 01.04.15 or the recurrent flexibility in baseline budget of £24,447 (used in 2014/15 towards the £37k Balance Sheet adjustment agreed by the Board). W1st's Board would determine its position on 10.02.15.

- Witham Third DIDB Implementation.

Option 7 offers W3rd a savings potential of £1,666.56 per annum from Operatives and a share of the £7,636.16 savings per annum from Witham House Staff (i.e. £2,673 per annum). The total savings potential was therefore £4,339.56 per annum as a pre-tender, conservative estimate.

The buy-out costs of implementation of Option 7 were not as expensive. The Operatives in W3rd are paid White Book Craftsman B now, which it was recommended is the appropriate grade for the duties required. There would not, therefore, be any recurrent regrading costs for W3rd Operatives as part of buying out the current motor vehicles allowances policy.

As W3rd Operatives would be moving to leased commercial vehicles and accepting the compensatory benefits of having a vehicle are difficult to quantify, the Operatives would be losing mileage payments.

The J.A.C. recommended that, in recognition of the loss of travel mileage payments, the Board made a one-off buy out payment of £1,500 to each of the 8 Operatives affected, i.e. at a net cost of £12,000, which rises to £17,436 after Employer's NI and Superannuation contributions are factored in. This would give a net benefit to each Operative, after tax, Employee NI and Superannuation contributions are factored in of £923 per person as a one-off sum.

W3rd would under this arrangement invest £17,436 in year 1 non-recurrently met from reserves, which would give an annual saving of £4.4k (pre-tender estimate which may increase after a procurement process).

Members NOTED the recommendation to the Board from the J.A.C. that Option 7 was the preferred way forwards, which would give greatest operational efficiency and resilience at times of flood events. It also offered a scheme which was defensible to HMRC, fair amongst staff, delivered savings as a travel policy and it offered the opportunity to harmonise the grades and pay of staff, enabling one new Motor Vehicles Policy to be adopted by all 3 Boards.

2315 Chief Executive's Report.

The Chief Executive's Report had been circulated with the agenda. Issues highlighted were:

- Budget setting 2015/16.

Each of the 3 IDBs in the group is able to set a financially balanced budget for 2015/16 based on an analysis of actual 2014/15 income and expenditure to 31.12.14, projection of 31.03.15 outturn, required plant and vehicle programmes, budget pressures and improvement schemes required in 2015/16.

The budgets had been constructed based on a range of assumptions including Drainage Rates/Special Levy increases of 1.75%, pay award 1% plus 1% pay contingency, NNDR increase of 2%, Electricity costs increase 0%, insurance costs increase 5%, water rates increase 0%, included Highland Water Estimates 2015/16, revised joint administration funding formula contributions, 2015/16 plant programme, inclusion of the draft joint administration budget, inclusion of all recharged budgets, inclusion of the Consents & Enforcements service, EA precept increase of 0% and inclusion of the impact of implementing the Option 7 revised Motor Vehicles Allowances Policy.

- The Eels (England & Wales) Regulations 2009.

It was a requirement of the Eels Regulations that the 3 Boards' pumping stations are either compliant with the Eel screen requirements or had been issued with "Eel screen exemption notices" under Regulation 17 (4) by 01st January 2015.

The Regulations require that from 01st January 2015 the responsible person (the Chief Executive) "must ensure an eel screen is placed in a diversion structure that:

- is capable of abstracting at least 20 cubic metres of water through any one point in any 24 hour period; or
- returns water to a channel, bed or sea (unless a Notice of Exemption is granted by the EA)".

The majority of Lincolnshire IDBs agreed in 2014 to pool resources and jointly commission eel passability studies, the contract being awarded to Capita Symonds for these studies for all pumping stations.

Pumping Stations have been designated as high, medium or low priority, according to criteria set by the EA, and the initial eel passability studies are being undertaken by Capita Symonds for the high and medium priority pumping stations:

<u>High Priority</u>	<u>Medium Priority</u>	<u>Low Priority</u>
Upper Witham	Upper Witham	Upper Witham
Pyewipe PS	None	Broxholme PS
Thorpe PS		Burton PS
Aubourn PS		Coulson PS
Boultham PS		Decoy PS
		Fen Lane PS
		Hykeham PS
		Ingleby PS
		Oxpasture PS
		Saxilby PS
		Torksey PS
		Sand Syke PS
Witham First	Witham First	Witham First
Billingham PS		Ringmoor PS
Blankney PS	Branston PS	Sandhill Beck PS
Chapel Hill PS	Digby PS	
Farroway PS	Heighington PS	
North Kyme PS	Metheringham PS	
Timberland PS	Nocton PS	
Witham Third	Witham Third	Witham Third
Duckpool PS	Greetwell PS	Bardney Abbey PS
Southrey PS	Short Ferry PS	Bardney Fen PS
Stixwold PS		Bardney Manor Farm PS
		Dogdyke PS
		Horncastle Ings PS
		Kirkstead PS
		Stainfield PS
		Woodhall PS

Capita Symonds have ensured a consistency of approach for pumping station Eel passability assessments. They have started with the high priority pumping stations where best practice is, according to legislation, the introduction of Eel screens. For the majority of pumping stations, the studies have shown that eel screens do not prove cost beneficial. Where Cost Benefit Analysis shows that the best practice measure of installing eel screens is not cost beneficial, Boards are permitted to move on to 'alternative measures', with the selection of

each of the following options in sequence and an examination of the cost/benefit analysis of each option:

- best practice screening.
- fish friendly pumps.
- KLAWA Bypass.
- other measures, habitat suitability.
- other measures, operational changes (e.g. gravity bypasses).

Eel Screen Exemption Notices were received from the EA in December 2014 for the high priority pumping stations in all 3 Boards. These exemptions expire on 31st December 2020, so it is expected that structures will be compliant from 01st January 2021 as part of an agreed programme of works.

The Exemption Notices are subject to the condition that (the Chief Executive) “must not change any of the elements of the intake system, which alters the sites potential to damage, injure, harmfully entrain or prevent free passage of Eel, without the prior written agreement of the EA. This condition includes, but is not limited to the following elements of the intake system: the pump type and pump capacity, the pumping regime, the abstraction period and flow rate, the location of the intake, the screening type, the screening dimensions and specifications”.

The EA has “determined that diversion structures returning water (outfalls) present a very low or no risk to eels and will not enforce the requirement to screen outfalls”.

As far as new developments on watercourses are concerned, the EA stated in November 2014 that, “we expect that any measures required for Eel (whether providing screening at abstractions or fish passes on obstructions) will be discussed and incorporated at the design stage”.

Members were advised that, whilst we have the necessary Exemption Notices in place for high priority pumping stations from 01.01.15, the studies are not yet complete and the Boards are awaiting Capita Symonds’ assessment of necessary measures for each pumping station and the cost of those. We understand all medium priority sites will be assessed by 31.07.15.

Members noted the position on required compliance with Eel regulations.

Lincolnshire Flood Risk Management & Drainage Group, 09.12.14.

The country-wide Group, Chaired by LCC’S Steve Willis, met on 09.12.14 and highlights from the meeting included:

- discussion on issues arising from LLFA’s investigation of Section 19 (internal flooding to properties) within 3 months.
- Lincolnshire Common Works Programme (CWP), the group is developing local prioritisation criteria.
- feedback from Lincolnshire’s Flood Risk and Drainage Scrutiny Committee meeting held on 04.12.15, particularly in relation to the draft Flood Risk Management Plans currently out to consultation by the EA until 31.01.15.
- EA to lead on the ‘Former lines of reclamation project’.
- no feedback yet received from the EA on the ‘priorities for EA main rivers maintenance’ which was submitted in late August 2014.
- surface water/fluvial/coastal – ‘water from all sources project’ was a 3 months pilot launched in February 2014 with Mablethorpe as the coastal location and Digby as the inland location. No results seen yet, due mid-January 2015.

- Greater Lincolnshire Local Enterprise Partnership (GLLEP) is keen to make 'water strategy' a key plank of its work. David Hickman to chase up membership of the 2 relevant groups. £40 million growth monies 2015/16.
 - restructuring of LCC – 2 Divisions within the Council but areas will remain within the 2 Divisions. A restructuring to follow in March 2015.
 - 'Arising from watercourses' – Andy Carrot (W4th) and Andy Ratcliffe (LCC) to produce a guidance leaflet for the next meeting.
 - SuDs – Defra received over 400 responses to consultations and Mark Welsh had been to a national meeting on 08.12.14. Announcement that LPAs are to lead, with introduction from 01.04.15. LCC to become a statutory consultee, but as a Council rather than as the LLFA. Future maintenance responsibilities for SuDs a key issue.
- Lincolnshire IDB Clerks' meeting, 15.12.14.
 - nationally, 19 IDBs have had qualifications to their 2013/14 accounts (Defra undertaking an analysis via ADA of the reasons for qualifications).
 - Danum IDB (Doncaster) – Doncaster Metropolitan Borough Council, as the main Special Levy payer, has issued a written review following which there is apparently an agreed action plan.
 - staff side 2015/16 Pay Claim of 3% had been replied to, following Pay Committee meeting on 11.12.14, advising that IDBs are restricted to 1%. As at 19.01.15 no agreed pay deal between the two parties. IDBs appear to be making a variety of assumptions for budget setting (from 1% to 2% pay increase).
 - presentation on requirements of Information Governance, F.O.I. from Samantha Stocks and Emma Bee of ELDC.
 - compliance with Eel Regulations a significant and potentially costly issue.
 - Chancellor's Autumn Statement and clarification of Capital Schemes to EA's Medium Term Plan (MTP was due to be approved for Lincolnshire & Northamptonshire on Friday, 16.01.15).
 - new ADA team starts 24.02.15 (Innes Thomson as Chief Executive designate and Ian Moodie as Technical Manager) and the ADA office base will be at Stoneleigh, Warwickshire.

- Internal Auditor's Interim Report on 2014/15.

David Gowing, Internal Auditor, visited on 08.01.15. He had completed in December his independent Interim Report on 2014/15, which is on the Board's agenda together with the resulting action plan agreed with officers. His visit in January reviewed processes like bank reconciliations and budget setting. His verbal feedback was that he had no material concerns. He queried the 1% pay uplift assumption in budget setting, thought 2% would be more realistic and this adjustment had been made for all 3 Boards by adding a 1% pay contingency into budget Estimates for 2015/16.

- Public Sector Co-operation Agreements (PSCAs).

The PSCAs were signed as 5 year agreements between IDBs and the EA in October/November 2013. These allow Flood Risk Management Authorities to use flexibilities under the Flood and Water Management Act (2010) to commission a broad range of works from one another.

The EA had circa £6 million in additional maintenance monies for Lincolnshire in 2014/15. Following a meeting of the Chief Executive, Director of Operations and EA Officers on 25.07.14 all 3 Boards have undertaken additional rechargeable works for the EA. The status of these works as at 15.01.15 was as follows:

<u>Reference</u>	<u>Separate File Reference (if applicable)</u>	<u>Description</u>	<u>Final Job No.</u>	<u>Status.</u>	<u>Comment.</u>
FD-1505-2014-ORG	W1/EA/8139	EA PSCA - Sandhill Beck	8139	Order received	Complete
FD-1507-2014-ORG	W1/EA/8142	EA PSCA - Farroway Drain	8142	Order received	Complete
FD-1508-2014-ORG	W1/EA/8141	EA PSCA - Ruskington Catchwater Drain	8141	Order Received	To be completed
FD-1509-2014-ORG	W1/EA/8130/002	EA PSCA - Anwick Catchwater Drain	8130	Order Received	Complete
TD-1474-2014-ORG	W3/ EA/ 8146	EA PSCA works - Weed cutting - Duckpool Catchwater Drain	8146	Order received	Complete
TD-1503-2014-ORG	W3/EA/8147	EA PSCA works - Welton Beck	8147	Order not received	Complete
TD-1502-2014-ORG	W3/EA/8143	EA PSCA works - Tilehouse Beck & Snakeholme Drain	8143	Order received	Complete
UD-1441-2014-ORG	UW/EA/8131	EA PSCA - Shire Dyke Weed Control	8131	Order received	Complete
UD-1498-2014-ORG	UW/EA/8130	EA PSCA - Cardinal Dyke	8130	Order received	Complete
UD-1499-2014-ORG	UW/EA/8133	EA PSCA - Skinnard Dyke	8133	Order received	Complete
UD-1500-2014-ORG	UW/EA/8132	EA PSCA - Foston Beck	8132	Order received	Complete
UD-1501-2014-ORG	UW/EA/8134	EA PSCA - Boultham Catchwater Drain	8134	Order received	Complete

Members received and noted the Chief Executive's Report.

2316 Statement of Expenditure, 01.11.14 to 31.12.14.

The Finance & Ratings Assistant presented the Statement of Expenditure incurred for the two months from 01st November to 31st December 2014. The total expenditure was £207,726.85 gross or £198,678.05 net of £9,284.03 VAT. Of this, £14,671.11 was recharged.

The expenditure included:

- (item 53) payment to SM Allen & Sons for manual handwork at Reeds Beck in Welton (PSCA rechargeable works for the EA) at £3,251 net.
- (item 17) the second and final payment 2014/15 of £52,577 for the EA precept.
- (item 43) £600 to North Lincs. Engineering Ltd. for a Ruston liner for the refurbishment of Fiskerton Diesel pumps.

- (item 51) £5,175 to RHC Hire Ltd for seasonal hire of a McCormick tractor 30.06.14 to 17.10.14, which will not be required in summer 2015 if the plant programme is approved.

Members received and NOTED the Statement of Expenditure.

2317 Financial Performance 2014/15 to 31st December 2014 and forecast outturn 31st March 2015.

The Finance Manager presented the month 9 financial monitoring report for 2014/15, which showed the actual income and expenditure position, the projected outturn as at 31.03.15 and the current approved Estimates for the year with variances.

In terms of the overall position, the 31.12.14 position was a surplus of (£261,920), with 3 months further expenditure to be incurred but with little additional income anticipated (given good drainage rates collection and all second tranche Special Levy monies having been paid to the Board). Some high cost areas of expenditure may accelerate, e.g. electricity costs at pumping stations in the last 3 months of the financial year depending on rainfall.

Following discussion about planned expenditure in the last 3 months of 2014/15, the forecast outturn as at 31st March 2015 was a surplus of (£24,019).

In terms of the detail behind this monitoring and forecast, on income the Board is ahead of target by (£25k). Some rechargeable works had been completed at (£11k) and sundry income of (£9k) had been received from other Boards. The Consents and Enforcements service for LCC as the LLFA would be recharged at (£4k). Also on income, the 2014/15 Highland Water claim estimate was submitted at £174k and the revised payments schedule, whereby 80% of claim was paid on 23.10.14, (£153,120) along with the balance for 2013/14 actual claim (£37,458), so to date £190,578 Highland water income has been received.

On one off schemes, there was an overall over commitment of £8k as at 31.12.14. Spend was on target on telemetry and Grove Drive Access improvement scheme was currently being reassessed. The Bardney F.A.S. was almost complete, with income due in from partners who had agreed to share the scheme costs. A budget provision of £10k for the Ings Drain, Horncastle Penstock was likely to be inadequate now that tenders had been returned.

On joint administration and Witham House costs there was a £6k variance as at 31.12.14. This was largely due to the purchase of an AO size scanner at £4.5k to digitalise maps, drawings and large-scale records (the old paper copies getting damaged and quality deteriorating). The remaining variance was a budget profile issue on the annual renewal cost of the GIS ESRI software licences.

The report set out the position on drainage rates collection as at 06.01.15 and pleasingly this was 98.9%, with a closing balance of £1,871.12 outstanding to the Board. Action is being taken against unpaid account holders with the first reminders sent out on 10.07.14, final reminders on 04.09.14 and court liability orders granted on 01.12.14.

On bank balances and investments, as at 31st December 2014 these were as follows:

	£
NatWest	199,706.68
Co-op	0.84
Nationwide Instant Access	300,000.00
Nationwide 95 Days' Notice	<u>500,000.00</u>
Total	<u>999,707.52</u>

There was, therefore, a total of £800,000 in the Nationwide, this having been invested since the Board's last meeting.

Members NOTED the financial position as at 31.12.14 and the forecast 31.03.15 outturn surplus of (£24k).

2318 Proposed Revised Motor Allowances Policy.

A paper summarising the report which went to the group of 3 IDBs' Joint Administration Committee on 08.12.14 had been circulated with the agenda. The Board's Standing Committee had also discussed the recommendations from the J.A.C. meeting on 13.01.15. It was noted that the Standing Committee was content to endorse the recommendation from the J.A.C. to adopt Option 7 and implement this as set out in the J.A.C. minutes.

The Chief Executive presented the summary paper, which detailed all 3 Boards' current motor vehicles allowances policies and the cost at £137,899.51 per annum, based on 2013/14 as the sample year. Members accepted the J.A.C.'s recommendation that the current policy be changed, noting that the recommended Option 7 aimed to provide a revised travel policy which was defensible to HMRC for individuals and the Board, was consistent, fair, administratively less complex and which saved money.

Option 7 offers Witham Third DIDB a savings potential of £1,666.56 per annum from Operatives and a share of the potential £7,636.16 savings per annum from Witham House based staff (ie.£2,673 per annum). The total savings potential is therefore £4,339.56 per annum, based on 2013/14 as a sample year.

There is less savings potential in Witham Third than in Upper Witham, but the existing scheme is comparatively less costly than in UW (as W3rd does not pay EUA or travel time). Home to depot or first place of work mileage and return, minus 8 miles per day from the total, is paid by W3rd now.

Equally, Witham Third Operatives are paid White Book Craftsman B now, which it is recommended remains appropriate. There would not, therefore, be any recurrent regrading costs for W3rd Operatives as part of buying out the current Motor Vehicles Allowances Policy.

As Witham Third Operatives would be moving to leased commercial vehicles under Option 7, albeit the compensatory benefits to individuals are difficult to quantify on a vehicle, they would be losing travel mileage reimbursement.

In recognition of this loss of travel miles, it was recommended that the Board makes a one-off buyout payment of £1,500 in 2015/16 to each of the 8 Operatives affected, ie. at a net cost of £12,000, which rises for the Board to £17,436 after Employer's National Insurance and Employer's Superannuation contributions are factored in. The net benefit each Operative would receive, after their respective Employee's National Insurance and Superannuation contributions, is £923 as a one-off sum (ie. a total of £7,380 net benefit across 8 people).

Witham Third would therefore invest £17,436 in year 1 to achieve an annual savings of £4.4k, indicatively a pay-back period of 4 years.

However, the Board would have in place a Motor Vehicles Allowances Policy which is HMRC compliant, which is more administratively straight forward, which creates a small fleet of commercial lease vehicles and thereby provides greater operational efficiency and resilience for cover during heavy rainfall and flood events and out of hours.

It was confirmed that the costs of implementing Option 7 had been factored in to the Estimates for 2015/16. On that basis the Board accepted the recommendations from both the Joint Administration Committee meeting on 08.12.14 and the Standing Committee on 13.01.15 and AGREED to implement a revised Motor Vehicles Allowances Policy (Option 7) as follows:

“Introduce Commercial leased vehicles in the 3 Boards for Operatives (other than those using now the Board’s 4 x 4 vehicles), a commercial leased vehicle for the Director of Operations. Retain Essential User Allowance (EUA) for those also qualify now, and extend to those who meet EUA criteria, but reduce the reimbursement rates for those in receipt of EUA to 45 pence per business mile. Reduce the reimbursement rate for casual users to 65 pence per business mile”.

2319 Revised Risk Register.

A revised Risk Register had been circulated with the agenda, the current version having been approved on 24.06.14. Updates were shown in italics and included:

- update to the Emergency Plan.
- need to undertake a GPS based topographical survey of the Board’s maintained system to confirm service of protection and to create models for each pumped catchment.
- renovation of back up diesel plant at Stixwould PS.
- PSCA and rechargeable works.
- mobile phones network coverage.
- Environmental Compliance, e.g. Eel Regulations (England & Wales) 2009.
- Health & Safety – risk assessments and method statements.
- ICT support – plan to undertake necessary, but limited upgrades in 2014/15.

Members noted that it was proposed to develop one Risk Register for the group of 3 IDBs, many of the generic risks being common to the Boards, with risks specific to a particular Board being defined. Various members had an interest in this subject and had offered their input to achieve this.

The Board AGREED to the future development of one Risk Register for the group of 3 IDBs and APPROVED the revised version of the Risk Register for the Board as set out.

2320 Internal Auditor’s Interim Report on 2014/15.

The Chief Executive presented the Internal Auditor’s Interim Report on the current financial year, his final independent report will come to the 16.06.15 Board meeting.

He had reviewed the implementation of previous audit recommendations, reviewed reports to the Board, systems changes, undertaken sample testing of 2014/15 payroll, monthly reconciliations and income, provided best practice advice from other IDB audits and had provided independent advice on financial regulations and travel allowances.

His report summarised his main findings as:

- good progress on the implementation of agreed recommendations.
- regular and accurate monthly reconciliations.
- well presented and minuted Board meetings and reports.
- detailed financial reports.
- informative website which significantly helps to improve overall governance.

- minor payroll discrepancy in respect of workforce hourly rates.

The Internal Auditor's recommendations had been discussed and agreed with the Chief Executive and an agreed management action plan was included in the report at Section 3.

Members noted the comment in relation to payroll checks, which was explained as overall accurate calculations but there being minor discrepancies in the hourly rates paid to the workforce. This was due to the official pay rates (ADA Lincolnshire Branch White Book) being recorded and set out to four decimal points and roundings. The Chief Executive confirmed she had raised the matter with the Secretary to ADA Lincolnshire Branch's Pay Committee.

Members received the Internal Auditor's independent interim report on 2014/15 and NOTED the management action plan and overall "Adequate Assurance" rating at this point in the year.

2321 Five Year Plant, Vehicle & Machinery Programme.

Members had received a plant programme with the agenda which summarised the current 2014/15 year and the proposed 2015/16 plant purchases and disposals which had been factored into the 2015/16 Estimates. Future years were included, but were indicative only.

The current year was modest, with the purchase of a weed bucket at £5,800 and corresponding disposal of the old one at £800 income.

The plant programme for 2015/16 was set out as follows:

<u>Acquisitions</u>		<u>Disposals</u>		<u>Net Cost</u>
4x4 Pump vehicle	£ 30,000	4x4 Pump vehicle (07 Toyota)	£ 3,000	
Wheeled Excavator	£115,000	McConnell Flail	£ 7,000	
Weed Basket	£ 6,000			
Total	£151,000		£10,000	£141,000

It was noted that the planned purchase cost next year of a replacement 4 x 4 pump vehicle would also be compared with the alternative of leasing such a vehicle. Members' attention was drawn to the discussion at the Standing Committee on 13.01.15 about the proposed purchase of a wheeled excavator. This would reinstate the flexibility in the Board's plant (which was there until approximately 6 years ago) and will avoid the costly hiring in of a tractor each weed cutting season to provide additional flail capacity. The fleet would then include 2 tracked excavators, a wheeled excavator, 2 Massey Ferguson tractor/flail combinations and the Claas tractor/paddock flail combination.

The Board was content to support the indicative 5 year programme and APPROVED year one for 2015/16 at an estimated pre-tender net cost of £141,000.

2322 Estimates for 2015/16.

The proposed Estimates Report for 2015/16 had been circulated with the agenda and was presented by the Finance Manager. The Estimates had been based on the actual 2014/15 budget position as at 31.12.14, the predicted 31.03.15 outturn position and all known developments and cost pressures for 2015/16 following discussions.

A list of budget assumptions was included in the report (e.g. drainage rates & Special Levy uplift of 1.75%, pay uplift of 1% and 1% pay contingency, NNDR 2% increase, insurance

costs increase 5%, EA precept 0%, revised joint administration contribution of 35% (from 30%) from 01.04.15, Works Supervisor costs shared 50/50 with Upper Witham, implementation of the revised motor vehicles allowances policy and the depreciation impact on revenue from the approved plant programme. A balanced budget could be set based on these assumptions.

The Finance Manager took members through the detail in the proposed budget, comparing this to the 2014/15 Estimates and explaining the adjustments. He also took members through the joint administration budget, contained within the report and recommended by the 3 Boards' Joint Administration Committee, noting that this same report would go to each of the 3 Boards.

The following issues and changes were highlighted on main budget headings:

- Income (£27k increase).
Increases had been included for Drainage Rates (£2k) and Special Levies (£15k) at 1.75%. An increase of (£3k) in rechargeable works income assumed and an increase of (£7k) for consents and enforcements work, fully recharged to LCC.
- Board & General Administration (£1k).
- ICT depreciation removed as fully depreciated.
- One off Capital (£2.5k).
Base budget reduced to £15k.
- Drains (£3.5k).
Minimal change. This includes the recharges on the one off costs of implementing the revised motor vehicles allowances policy and the fund contribution to meet this in 2015/16.
- Joint Administration/Witham House £22k.
The budget had been rebased to reflect the Board's agreed revised percentage contribution from 30% to 35%. It also included new mileage arrangements.
- Engineers £15k.
The budget had been rebased to reflect revised percentages between the Boards and also reflects the interim shared Engineer arrangements, but assumes these revert to usual when UW's Engineer's secondment ends on 31.10.15.
- Enforcement £7k.
The costs of enforcement cases had been rebased but equally it is assumed these will be met by corresponding income from LCC.
- Contingency & Contribution to Reserves £10.5k.
Whilst in 2014/15 the contribution to reserves had been £25k, this is reduced for 2015/16 to £9k. This was sufficient contribution to fund the acquisition of future Plant & Machinery, given existing funds level. A provision for an increase in pay of up to 2% had been included (i.e. 1% in base estimates and a 1% pay contingency).
- EA Precept £0k.
No increase in EA precept was included in the Estimates, as an inflationary increase of 2% was included in 2014/15 but there had been no increase.

As the net effect of all these variations was nil, on the assumptions made a balanced budget would be achieved for 2015/16 with a 1.75% increase in the penny rate.

In summary, the proposed budget for 2015/16 was:

	Approved 2014/15 Estimate W3 £	Provisional Outturn 2014/15 W3 £	Proposed Estimate 2015/16 W3 £	Changes Est 14/15 to Est 15/16 W3 £
Income	(1,035,552)	(1,060,194)	(1,062,889)	(27,337)
Board & General Admin	18,290	18,951	17,358	(933)
Capital	17,500	25,926	15,000	(2,500)
Conservation	1,500	250	1,500	-
Depot	26,687	18,129	26,719	32
Drains	455,597	438,466	452,036	(3,561)
Pumping Stations	207,757	182,620	208,122	365
Joint Admin/Witham House	109,396	115,610	131,726	22,330
Consents & Enforcement	6,638	10,820	13,722	7,084
Engineers	59,930	61,815	74,950	15,020
Contribution to Reserves	25,000	25,000	14,500	(10,500)
PWLB		-		-
Rechargeable Works		33,435		-
EA Precept	107,257	105,154	107,257	-
(Surplus)/Deficit	-	(24,018)	0	0

As part of the exercise, funds and reserves had been reviewed, the Board having agreed a policy of holding a general 'Revenue Reserve' for emergencies of 10% to 15% of turnover, with the balance held in 'earmarked reserves' for particular requirements. It was therefore proposed that the fund balances for 2015/16 be allocated as follows:

<u>Reserve</u>	<u>2014/15 b/fwd</u> £	<u>2014/15 c/fwd</u> £	<u>2015/16 c/fwd</u> £
Revenue Reserve	(150,000)	(150,000)	(150,000)
Plant & Machinery	(216,774)	(305,830)	(270,651)
Pumping Station	(150,000)	(150,000)	(150,000)
AWC Renewal	(150,000)	(150,000)	(150,000)
One-off Projects	(43,511)	0	0
Balance	(710,285)	(755,830)	(720,651)

Following discussion, members APPROVED the proposed Estimates for 2015/16 and AGREED the allocation of fund balances for 2015/16 as set out.

2323 Land Movements to 31.12.14, Annual Values, Penny Rate, Drainage Rates & Special Levies.

A report setting out the land movements to 31.12.14, the proposed Annual Values as at 31.12.14, a proposed 1.75% increase in the 'penny rate', the Drainage Rates for occupiers of land for 2015/16 and the proposed Special Levies for East Lindsey District Council, West Lindsey District Council and City of Lincoln Council had been circulated with the agenda.

The report outlined Annual Values from the previous year ended 31.12.13 and detailed the movements required for land which had been developed, it therefore coming out of Drainage Rates and being allocated to Special Levies. Those changes, affecting the Special Levy for 2 of the 3 Councils, were as follows:

Plan	Field	Area	Parish	Council
TF0575	1182	0.376	Barlings	WLDC
TF2569	5860	0.225	Horncastle	ELDC
TF2158	9611	0.232	Tattershall	ELDC
TF2258	0058	0.834	Tattershall	ELDC
TF2258	0645	2.690	Tattershall	ELDC

Land is transferred at the development rate of £4,287.44 per hectare. This results in the following Annual Values as at 31st December 2014:

	Annual Values £
Drainage Rates	1,793,928
City of Lincoln	2,776,055
East Lindsey DC	3,152,773
West Lindsey DC	2,048,521
Total	9,771,277

The following 'penny rate' will be applicable, if the 1.75% increase for 2015/16 is agreed:

	Penny Rate (pence)
Current	8.6946
Proposed	8.8468

The impact is an increase in the income generated from Drainage Rates from £156,014 to £158,705 (+£2,691) in 2015/16.

These land transfers, revised land valuations arising and the revised 'penny rate' drive the new Special Levies for 2015/16 as follows:

	Current £	Proposed £	Difference £	Increase %
City of Lincoln	241,366.88	245,592.03	4,225.16	1.75
ELDC	272,637.00	278,919.54	6,282.54	2.30
WLDC	177,970.53	181,228.54	3,258.01	1.83

On this basis, the Board APPROVED the following:

- the land transfers from drainage rates to Special Levies, between 01.01.14 and 31.12.14, as set out.
- the land valuations as at 31st December 2014 upon which Drainage Rates and Special Levies for 2015/16 are calculated at £9,771,277.
- an uplift in the 'penny rate' of 1.75% from 8.6946 pence to 8.8468 pence for 2015/16.
- the Special Levies for 2015/16 at £245,592.03 for City of Lincoln Council, £278,919.54 for East Lindsey District Council and £181,228.54 for West Lindsey District Council.
- that the Chairman and Chief Executive be authorised to sign the 'Rate Book' and apply the Board's seal.

2324 Elections Timetable 2015.

Members had received a proposed timetable for the Board's 2015 Election. Some of the key milestones within this Election process, for occupiers of land represented on the Board, were noted as:

- 28.05.15 - Advertise the 'Notice of Register of Electors' available for inspection from 28.05.15 to 11.06.15.
- 16.06.15 - Board to approve Electoral Register.
- 09.07.15 - Advertise 'Approval of Electoral Register'.
- 10.09.15 - Advertise 'Notice of Election' for Monday, 26.10.15.
- 10.09.15 - Issue nomination papers.
- 25.09.15 - Closing date for receipt of nomination papers to Witham House.
- 25.09.15 - Last day for 'Notice of Entitlement to vote'.
- 28.09.15 - Issue Notice to Candidates of invalid Nominations.
- 01.10.15 - If NOT more candidates than vacancies, advertise 'Notice of No Poll' and declare Candidates Elected + inform candidates of Election.

OR if more candidates than vacancies:

- 30.09.15 - Notify candidates of 'List of Nominations' and give options to withdraw.
 - 01.10.15 - Advertise 'List of Nominations'.
 - 06.10.15 - Last day for a candidate's withdrawal before 17.00 hours.
 - 08.10.15 - Advertise 'Notice of Poll', or 'Notice of No Poll' if candidate(s) withdraw.
 - 12.10.15 - Issue voting papers.
 - 26.10.15 – Election, Count of Votes, declaration of Election Result & inform candidates.
- 02.11.15 - Advertise the Election Result (whether 'No Poll' or whether there has been a vote).

Members APPROVED the Election timetable and nominated the Chief Executive as Returning Officer.

2325 Director of Operations' Report .

The Director of Operations' Report for the two months from 01st November to 31st December 2014 had been circulated with the agenda and was presented together with a verbal update.

- **Planned Maintenance Programme.**

The planned summer programme was substantially complete. The maintenance of the North Delph is in progress, but completion of the weed cutting will be delayed as we will undertake some of the winter bushing programme whilst the long reach machine is in the vicinity. This removes the need for the tracking of the machine later in the winter period.

Those reaches of drain throughout the district that are outstanding have either standing crops [sugar beet] or drilled crops [rape/winter wheat] that obstruct entry and access to the drain side. Where the watercourse is serving only one occupier, and after discussions with them, these reaches may be left as any possible adverse effects of not undertaking the weed control work for a season are less than tracking on drilled crops. This is especially the case when the ground is wet and soft. However, where 2 or more occupiers are served by the drain we have requested, and gained, entry to the drain side.

A number of slips have been reported on Cold Hanworth Drain. These support the adjacent highway and so will be passed to the Highways Authority for consideration and reinstatement.

- **High Rainfall Event.**

High rainfall and water levels were experienced within the catchment on the weekend between Christmas and the New Year. Approximately 26mm of rainfall was recorded. An inspection of the district was undertaken on the 27th December and no problems were found on the Board's system. Whilst levels were high on the Horncastle Ings system and

the River Bain, levels were within banks. However, the Barlings Eau did run out of banks in the vicinity of Reepham Brook and Sambre Beck outfalls.

- **Plant.**

Both tractors and the JCB JS160 excavator have suffered from waxing of the Gas Oil within their tanks. When out on site, plant is parked outside and during periods when the night time temperature goes below freezing point the fuel reacts. This may be a particular problem at this time as the fuel current held in the depot storage tank was delivered in October, before the winter months. Fuel delivered during the winter months will contain an additive to prevent this reaction.

- **Pumping Stations.**

There have been no issues reported during this period. The pumps have been set to operate to maintain the usual lower winter retention levels.

- **Rechargeable Work.**

The Board's workforce continues to undertake rechargeable work on behalf of the Environment Agency under the Public Section Co-operation Agreement during this period. Work to clear Welton Beck through the village has been completed.

- **Workforce.**

A member of the workforce remains on long-term sick leave and is unlikely to return to work.

A second member of the workforce, John Wilson, has submitted written confirmation of his intention to retire on 10.04.15 after almost 25 years' service to the Board.

Members received and NOTED the Director of Operations' report and presentation.

2326 Consents & Enforcements Report.

A report outlining the current position on consents and enforcement cases, both within the drainage district and in the extended rainfall catchment where the Board acts for and on behalf of LCC, as the LLFA, had been circulated with the agenda.

In relation to consents, the following were outlined:

- **Byelaw Consent Applications.**

<i>Reference</i>	<i>Location</i>	<i>Applicant</i>	<i>Details</i>	<i>Date</i>
TD-1636-2014-CON	Witham III Depot	Western Power	Underground cable	03/11/14
TD-1707-2014-CON	Low Barlings	Western Power	Underground cable	11/12/14

- **Section 23 (Land Drainage Act) Consent Applications – Board's District.**

The Board has received the following applications for Section 23 Consent. Each applicant has been advised that, on behalf of the Board, their application has been consented, but some with conditions:

<i>Reference</i>	<i>Location</i>	<i>Applicant</i>	<i>Details</i>	<i>Date</i>
TD-1632-2014-CON	Kirkby on Bain	LCC	Replacement culvert	03/11/14

TD-1709-2014-CON	Scothern	Chestnut Homes	Outfall within culvert	
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• **Section 23 Land Drainage Act Consent Applications – Board’s Extended Area.**

<i>Reference</i>	<i>Location</i>	<i>Applicant</i>	<i>Details</i>	<i>Date</i>
TE-1613-2014-CON	Bardney	Mrs K Hippey	Land drain outfall into ditch	15/10/14
TE-1664-2014-CON	Dunholme Lodge Farm	LCC	Extension of culvert	

In addition, a position statement was provided on 7 enforcement cases within the district.

Enforcement cases within the extended catchment were also set out, there being significantly more enforcement cases still being referred to the Board in the extended catchment. In relation to cases in the extended catchment, members sought further information on the following:

- TE-849-2014-ENF – Lodge Lane, Nettleham Road has flooded. Culvert appears blocked under entrance to AWS Pumping Station. Awaiting response from AWS. (Cllr. M.G. Leaning).
- TE-1529-2014-ENF – A158 Horncastle – awaiting response about required maintenance. (Cllr. Mrs. F.M. Martin).
- TE-1616-2014-ENF – Woodhall Road, Langton Hill, Horncastle – awaiting requested maintenance work to be carried out. (Cllr. Mrs. F.M. Martin).
- TE-1770-2014-ENF – off Mareham Road in Horncastle – rubbish deposited in Thunker Drain watercourse. (Cllr. Mrs. F.M. Martin).
- TE-1775-2014-ENF – Green Lane in Woodhall Spa – investigation underway (Cllr. D. Hoyes).

Members NOTED the report and further information would be provided about the enforcement cases highlighted in the extended catchment.

2327 Schedule of Planning Applications.

A schedule of planning applications reviewed in the period 10.10.14 to 29.12.14 had been circulated with the agenda.

In respect of applications to ELDC, the following comments were submitted:

- 39 Lodge Road, Tattershall. Mr. B. Ward. Vary Condition 3 of Planning Permission No. S/175/892/14, related to roof tiles.

It is not what goes on the roof of this garage that is of concern to the Drainage Board. Notwithstanding the correspondence between the Board and your Council, it is frustrating this garage makes access difficult to a manhole on a Board maintained watercourse.

- Greystones, Lincoln Road, Westleigh 56no. dwellings on brownfield site.
Horncastle. Developments.

Paragraph 7.3 on Rev A of the FRA states the design flow from the site is to be 16.9l.sec⁻¹, without stating a return period; but paragraph 7.1 on Rev B has “.... 21.41l/sec for the 1 in 30

year period and 31.1l/sec for the 1 in 100 year period which provides 20% betterment on existing rates." One interpretation could be that the degree of stormwater attenuation has been relaxed between Rev A and Rev B of the FRA. Hopefully, this is not correct, but clarification is needed.

- Land East of Tattershall Road, Woodhall Spa. Witham Trading Company. 49No. dwellings and a nature reserve.

Croft Drain, a watercourse maintained by the Board, runs along the northern boundary of the residential area of the application. Croft Drain outfalls into Kirkstead Engine Drain from which water is pumped into the River Witham at Kirkstead Pumping Station. The applicant appears to have accepted the Board's requirement for an access strip along the whole length of the residential site. This shall be a minimum of 6m measured from the top of the drain batter. Access to this strip shall be required at all times and no other development shall be allowed within this area. All structures, both temporary and permanent, including the planting of trees and bushes, shall be subject to the Board's prior written Consent, in which free and unfettered access shall be a condition. The rate of discharge of surface water from the residential site to the Board's drain will require to be agreed as part of the consenting process.

- Land adjoining 12 The Elms, Tattershall Road, Kirkby on Bain. Mr. J. Wythe. Outline dwelling.

The soakaways proposed for the drainage of roof run-off should be designed in accordance with sections 3.26 to 3.30 of part of the Building Regulations.

- King Edward Crescent, Woodhall Spa. St. Andrews C of E Primary School. New classrooms and link to existing building.

It is indicated at Section 12 of the Application Form surface water drainage is to be to main sewer. There is no such facility in the locality. For soakaways it is essential the base of the structure be above the maximum annual groundwater level. They should be designed in accordance with sections 3.26 to 3.29 of part H of the Building Regulations.

- Avalon, Ford Way, Goulceby. Mr. T. Baines. Detached double garage.

The roof area is such that drainage should be accounted for. If this is by means of a soakaway, it should be designed in accordance with sections 3.26 to 3.29 of part H of the Building Regulations.

- The Cottage, Gautby Lane, Waddingworth. Mr & Mrs Stinchcombe. Log cabin for ancillary residential use which has already been constructed.

The siting of the cabin is outside the 9 metres byelaw distance to the Board maintained Gautby Minting Drain and therefore there are no objections to this application for planning permission.

- Land to rear of 48 King Edward Road, Woodhall Spa. Mr. T. Taylor. Outline for a single storey dwelling.

This area of Woodhall Spa has problems with the disposal of surface water. There is a shallow ditch along the north-east boundary of the site. Prospective purchasers should be made aware of their riparian responsibility to maintain it across the width of their plot.

- Station Lane, Horncastle Bell & Shinn, Builders Pair of semi-detached houses and a bungalow.

The soakaways proposed for the drainage of roof run-off should be designed in accordance with sections 3.26 to 3.30 of part H of the Building Regulations.

In respect of applications to WLDC the following comments were submitted to the LPA:

- Lane at Heath Road, Scothern. Chestnut Homes Ltd. 30no dwellings.

The applicant should apply to the Board for Land Drainage Consent for the surface water outfall into the road crossing culvert on Dunholme Road.

- 1 Vicarage Lane, Scothern. Mrs. C. Hardwick. Extension to dwelling.

The additional roof area is large enough that specific measures should be taken for surface water drainage. Soakaway capacity should be determined in accordance with sections 3.26 to 3.29 of part H of the Building Regulations.

Members received and NOTED the report.

2328 Bardney Flood Alleviation Scheme.

The Board's Engineer had provided a written update on the Bardney Flood Alleviation Scheme, which had been circulated with the agenda.

Following the Board's approval of the scheme on 28.01.14 and agreement to contribute £10k, partnership funding was sought and confirmed from LCC (£10k), WLDC (£8k) and Bardney PC (£2k).

J.E. Spence & Son commenced on site on 27.10.14 and works progressed well, considering it was outside the civil engineering season and excavations were required in private gardens. The new pipe lengths and manholes were constructed. The contractor left site on 04.12.14, but will return for minor landscaping in late Spring 2015.

One significant issue was encountered which was being resolved. A 700 x 500mm brick arch culvert had been damaged, since the CCTV survey was carried out in 2008, and the Board's Engineer felt adjacent works by BT may have been the problem. However, discussions with BT did not resolve this and the decision had been taken to remedy the problem within the scheme cost at circa £3k.

The scheme will be completed within budget and to predicted timescale. At a comparatively inexpensive cost of £30k it affords for better flood protection levels to at least 11 residential dwellings.

Members NOTED the good progress on the Bardney scheme, which was virtually now complete.

2329 Any Other Business.

There were no further items of business.

2330 Date, Time and Place of the Board's Next Meeting.

The Board's next meeting was confirmed for **Tuesday, 28th April 2015 at 10.30am in Minting Village Hall.**

.....Chairman.....Date
W3rd BM27.01.15