

UPPER WITHAM INTERNAL DRAINAGE BOARD

Minutes of the meeting of Upper Witham Internal Drainage Board held on Monday, 26th January 2015 in South Hykeham Village Hall at 2.30pm.

Present: Mr. F. H. Myers - Chairman.
Cllr. N. Craft
Mr. S. Draper
Cllr. M.D. Gallagher
Cllr. G. Hewson
Mrs. S.K. Howe
Mr. A.V. Kerr
Cllr. L.J. Pennell
Mr. G.E. Porter
Mr. P.J. Roe
Mr. J.R. Scarborough
Cllr. M. Shaw
Mr. C. Smith
Mrs. J.S.P. Smith
Cllr. T. Speakman
Cllr. P. Vaughan
Mr. B.F. White
Mr. P. Wright
Cllr. Mrs. P.A. Woodman, MBE.

In Attendance:

Mrs. Jane Froggatt, Chief Executive.
Mr. Steve Larter, Finance Manager.
Mr. Martin Shilling, Director of Operations.
Ms. Lorraine Sayce, Finance and Rating Officer.

Apologies: Apologies for absence were received from Mr. M.J. Arnold, Mr. R.H. Ballerini, Mr. J. Boyall, Cllr. C. Darcel, Mr. R.J. Epton, MBE, DL., Mr. P. Gowen, Mr. J.R. Hollis, Cllr. D. Jackson, Mr. D.R. Knight, Ms. T-G. Kolsun-Draper, Mr. R.W. Parker, Mr. R.J. Phillips, Mr. R.D. Skelton, Cllr. F. Turner and Mr. S.H. White.

73.14 Declarations of Members' Interests.

Council nominated Members, Mr. S. Draper, Cllr. G. Hewson, Mr. C. Smith, Cllr. T. Speakman and Cllr. P. Vaughan of City of Lincoln Council; Cllr. M. Shaw of Newark and Sherwood District Council, Cllr. M.D. Gallagher, Cllr. L.J. Pennell and Cllr. Mrs. P.A. Woodman MBE of North Kesteven District Council declared interests in matters appertaining to their respective councils, as serving councillors or Members nominated by those councils.

74.14 Chairman's Announcements.

The Chairman welcomed members and officers to the meeting. He highlighted the following:

- Register of Members' Interests.

Members were reminded of their responsibility to maintain an accurate and up to date Register of Interests. The Board had approved the Code of Conduct on 19th November 2012 and each year at the AGM members are asked to submit a completed Register of Interests form, to be maintained at Witham House.

- Financial Position.

It being the January meeting of the Board, the focus today is on financial performance 9 months into 2014/15, the forecast year-end position as at 31st March 2015 and on the Board's legal duty to set a financially balanced budget for 2015/16 before 15th February.

75.14 Minutes of the Board Meeting & AGM on 17.11.14.

Cllr. Pat Vaughan proposed, Cllr. Gary Hewson seconded and members resolved unanimously to APPROVE the minutes of the Board's meeting and AGM held on 17th November 2014 as an accurate record.

MATTERS ARISING:

All matters arising were covered on the Board's agenda.

76.14 Minutes of the Finance and General Purposes Committee Meeting, 14.01.15.

Cllr. Tony Speakman proposed, Cllr. Pat Vaughan seconded and members resolved to APPROVE the minutes of the Finance and General Purposes Committee meeting held on 14th January 2015. The recommendations to the Board from that meeting were NOTED.

MATTERS ARISING:

76.14.1 Environment Agency Medium Term Plan (minute 3.2 refers).

The Chief Executive confirmed that, following the RFCC meeting on 16.01.15, she had that morning received confirmation of capital schemes funded from FDGiA monies in 2015/16 and beyond.

It was also noted that when Robert Caudwell's term of office as Anglian (Northern) RFCC Chairman ends on 30.06.15 his successor will be Eddy Poll, former Deputy Leader of LCC.

76.14.2 Public Sector Co-operation Agreement (minute 5.1 refers).

Whilst PSCA works 2014/15 were detailed elsewhere on the agenda, it was confirmed that the Chief Executive and Director of Operations were meeting EA staff on 13.02.15 to discuss potential PSCA maintenance works for next year, 2015/16.

77.14 Minutes of the Joint Administration Committee meeting, 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:

77.14.1 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 these 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 to 30.09.14 on these recharges between the Boards.

77.14.2 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 was 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 recharges 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.
- 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 the 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 UW 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.

77.14.3 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 per mile.
- 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 meeting and set out for J.A.C. members 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 + £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. It was 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.

- 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 even though 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.

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). The Board would be considering adoption of Option 7 and the recommended implementation arrangements from J.A.C. at its meeting on 27.01.15.

- 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. as a recommendation to Witham First.

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 that Board of £12,707 per annum.

The report to J.A.C. 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).

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 invest in the 3 Boards' Operatives in a way which would harmonise the grades and pay of staff, enabling one new Motor Vehicles Policy to be adopted by the 3 Boards.

78.14 Chief Executive's Report.

The Chief Executive's Report had been circulated with the agenda.

- 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% + 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:

- (a) is capable of abstracting at least 20 cubic metres of water through any one point in any 24 hour period; or
- (b) 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.

The 3 Boards' pumping stations have been categorised as follows for Eel passability assessment:

<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
Billinghay 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 had 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/fluviol/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.
 - 'Arisings 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 before 25.12.14 with introduction by 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.
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- 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 due to be approved for Lincolnshire & Northamptonshire on Friday, 16.01.15).
 - new ADA team starts 24.02.15 (Innes Thomson as Chief Executive 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 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 has 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, without recourse to costly procurement processes.

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 - Boutham Catchwater Drain	8134	Order received	Complete
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Members received and noted the Chief Executive's Report.

79.14 Statement of Expenditure, 01.11.14 to 31.12.14.

A Statement of Expenditure incurred for the two months of November and December 2014 had been circulated with the agenda.

Since the Finance and General Purposes Committee meeting on 14.01.15, the statement had been amended to remove investments of £300,000 and £400,000 into the Board's new Nationwide Instant Access and 95 Day Notice Accounts respectively (these 2 investments are now shown in the Financial Performance Report).

Gross Expenditure for the two months was £234,509.50 or £223,864.48 after VAT of £10,665.82. Of this, £6,559.35 was rechargeable expenditure.

A number of issues were discussed, some of which required clarification from the Finance and General Purposes Committee meeting:

- Item 60 – the expenditure included the £83,413.00 second and final instalment precept payment to the EA for 2014/15.
- Item 11 – the £478.68 payment to Tanvic tyres for 4 new tyres on the Isuzu 4 x 4 vehicle had been queried. It was confirmed these replaced 4 year old tyres, which had done 30,000 miles, with 4 new all-terrain tyres, disposal of the old tyres and wheel balancing.
- Item 121 - £718.00 to the Wildlife Conservation Partnership for 3 owl boxes, brackets and fixings. Whilst members clarified the continuing commitment to the rolling programme to install 3 new owl boxes per annum, the concern of Finance and General Purposes Committee members was reiterated in that these costs were felt to be high for 3 boxes. A photograph of one of the boxes concerned was shown to members.
- Item 99 - £595.00 to North Lincs Engineering Ltd., for the repair to a crank shaft bearing at Pyewipe PS, was queried and it was confirmed that the company is based at Manby near Louth.

Following discussion, members received and NOTED the Statement of Expenditure.

80.14 Financial Performance Report to 31.12.14 and provisional outturn for 2014/15 as at 31.03.15.

The Finance Manager presented the first of three linked financial reports. This one was the month 9 2014/15 monitoring, report which showed the actual income and expenditure position for 01st April to 31st December 2014 of (£245,351) against approved Estimates and a projected outturn position as at 31.03.15 of a small surplus position of (£1,458).

Whilst there were still some high risk areas of expenditure for the remaining 3 months of the year, e.g. electricity costs at pumping stations which was weather related, overall the position was good news.

In particular, members were reminded that, in order to set a balanced budget for 2014/15, in January 2014 the Board had agreed a year end contribution from reserves of £21,988. However, the forecast small surplus/breakdown year end position for 31.03.15 was based on that £21.9k fund contribution no longer being needed. In addition, the Estimates for 2014/15 had been based on a contribution from Reserves for 'one-off schemes' of £53,750. An improved FDGiA grant monies had been achieved, the forecast breakeven position assumed no draw down from reserves.

Members were then briefed on the detail of the current position and forecast 31st March outturn. On income, this was showing an overall £18k reduced level, but this related to the anticipated income from reserves which now looked unnecessary. Still on income, some rechargeable works had been completed and income was ahead of target by (£4k). Additional income had also been received as a Developer Contribution at Poplar Farm in Grantham (£6k) and for an insurance claims (£6k).

On one-off schemes, the summary position was an £8k over commitment. However, the spend on Coulson Road PS refurbishment was now complete at £39k and this was 100% FDGiA grant funded (money having been received by the Board in 2013/14). A sum of £2k had been spent on telemetry schemes, relating to 2013/14. The refurbishment of Oxpasture PS pump had not yet started, but the budget in 2014/15 is £15k. The Board had earmarked a potential contribution of (£14k) towards the Lincoln Catchment Study, but this will now be FDGiA funded at 100% (work having started and £36k FDGiA having already been drawn down on a potential total of £60k approved).

It was highlighted that the financial position also covered expenditure of £14k above target for the Board's depot. A programme of improvements had been carried out to improve safety and to improve operational systems. This had incurred additional wages recharges of £3.5k, expenditure on various small tools of £7.2k and a new heating system had been ordered with works yet to be completed.

On Joint Administration and Witham House costs there was a slight increase due mainly to ICT issues that have had to be addressed with repairs, the purchase of required GIS and other software licences and some equipment. However, a considerable proportion of the increase was due to the purchase of an AO size scanner, to digitalise the 3 Boards deteriorating maps, plans and large scale drawings, at a cost of £4.5k.

On drainage rates collection, as at 06.01.15 income of £224,585.47 had been received which gave a collection rate of 96.1%. With value changes, write-offs, legal costs etc. the closing balance of income due to the Board from drainage rates was £9,800.40. It was noted that an unpaid drainage rates accounts, first reminders were sent on 10.07.14, final reminders on 04.09.14, summonses were issued on 27.10.14 and Lincoln Court granted Liability Orders on 01.12.14 since when the bailiffs had been appointed.

On bank balances, as at 16.12.14 the total balance was £658,180.95. The investment accounts with Nationwide Building Society were now open and the total was distributed as follows:

Lloyds	0.05%	£108,180.95
Nationwide Instant Access	1.00%	£150,000.00
Nationwide 95 Day Notice	1.05%	£400,000.00
Total		£658,180.95

Members NOTED the financial monitoring report as at 31.12.14 and the assumptions made, which at this stage resulted in a forecast breakeven position as at 31.03.15 (without the need to contribute from reserves as originally agreed by the Board in January 2014).

81.14 Proposed Revised Motor Vehicles 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 and the Board had earlier received detailed feedback from the J.A.C. meeting. The Board's F&GPC had also discussed on 14.01.15 the recommendations from the J.A.C. meeting. It was noted that the F&GPC was content to endorse the recommendation from the J.A.C. to adopt Option 7 and implement this combined with a regrading of Operatives to A.D.A. Lincolnshire Branch White Book Craftsman B Grade w.e.f. 01.04.15.

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 and that of the Board's F&GPC 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.

Implementation arrangements for Option 7, including the issuing of leased commercial vans to Operatives were then discussed.

As the Operatives in UW will lose most significantly under the proposed Option 7 revised Motor Vehicles Allowances policy, as all 8 Operatives currently receive paid travel time from home and 7 of the 8 receive EUA and reimbursement of mileage, there is a potential savings to the Board of £28,985.97 per annum based on 2013/14, but the impact financially on staff is £43,622.05 per annum. This is just on UW Operatives, there being a further savings potential on UW's share of Witham House staff savings.

The J.A.C. and F & GPC recommendation to UW's Board in implementing Option 7, was discussed, including some of the Board's savings potential being reinvested as follows:

- Make a non-recurrent 'buy out' payment of the one year's notice to staff, to enable the revised policy to be implemented from as soon as practicable after 01.04.15.
- Accept a regrading claim from the 8 Operatives to ADA White Book Craftsman B grade, which does have a recurrent cost implication. The 2014/15 pay scale

for a Class 1 Operative (current pay scale) is £347.70 per week (£9.15 per hour for the 38 hours week) and for a Craftsman B grade Operative this increases to £388.36 per week (£10.22 per hour).

The impact of accepting this for the Board was noted as follows:

- The one-off buy out sum has been modelled on 7 of the UW Operatives being paid a sum equivalent to the EUA of £2,160 and the Foreman (who would receive no other benefit like a regrading) being paid a one-off sum of £5,000. The one-off buy out total cost for UW is therefore £29,234 to be paid in 2015/16 (the sum is £20,120 but rises to £29,234 after Employer's Superannuation and National Insurance Contributions are factored in). This £29,234 cost to the Board to buy out the current travel arrangements would not result in that being the net payment received by the 8 Operatives. After each had paid tax, Employee's N.I. and Employee's Superannuation, the total benefit received would be £12,374 amongst the 8 Operatives (£1,328 net for each of the 7 Operatives and £3,075 net for the Foreman).
- If members accept a regrading of staff to Craftsman B grade of the ADA White Book this would have a recurrent cost to the Board of £22,951 per annum (which factors in annual overtime pay, Employer's N.I. and Employer's Superannuation contributions). After tax, Employee's N.I. and Employee's Superannuation contributions, the total net benefit to the 7 Operatives affected would be £9,714 per annum (circa £1,500 net benefit on average per person, per annum). This would not be an unreasonable offer, from UW's potential savings per annum, to increase basic pay in return for removal of travel payments.

In Year 1, therefore, UW would pay the one-off compensation sum costing the Board £29,234 plus the cost of the upgrading of 7 Operatives at £22,951. This is a total initial cost in year 1 only (2015/16) of £52,185.

Against this implementation cost, Option 7 has a savings potential of £9,089 per annum (£6,035 Operatives plus £3,054 on 40% share of Witham House staff savings). This annual savings potential may increase after the procurement exercise.

If UW accepts the J.A.C. and F & GPC recommendations to adopt Option 7 with the 2 implementation measures as outlined, the Board would have a travel allowances policy in place which is HMRC compliant, which simplifies the existing arrangements (EUA, travel mileage and paid daily travel time), which does not give a perverse incentive to operational efficiency, which provides greater operational resilience through a small fleet of commercial values, which commands a high degree of staff support, which delivers a reasonable efficiency saving of circa £9,000 per annum as a pre-tender estimate of savings and which upgrades the 7 Operatives to Craftsman B and secures goodwill.

After discussion, members AGREED to accept the recommendation from both the J.A.C. and the Finance and General Purposes Committee to adopt Option 7 as a revised Motor Vehicles Policy 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”.

The Board also AGREED that the 7 Operatives be regraded to (ADA White Book) Craftsman B from 01.04.15, the additional cost per annum having been built into budget setting for 2015/16, and to the one-off buy out arrangements as set out.

82.14 Risk Register.

A revised Risk Register had been circulated with the agenda, the current version having been approved on 23.06.14. Updates were shown in italics and included:

- update to the Emergency Plan.
- Under Objective 1, the requirement to ensure the Board’s systems provide required standards of protection.
- 5 year plant programme, year 1 for 2015/16 being on the Board’s agenda.
- PSCA and rechargeable works, capacity risk.
- mobile phones network coverage/handsets.
- environmental compliance – e.g. Eel Regulations (England & Wales) 2009 & exemption notices.
- Health & Safety – risk assessments and method statements.
- ICT support – plan to undertake limited upgrades in 2014/15.

Cllr. Lance Pennell commented that, in relation to the second bullet point, it currently does not read as a risk and this needs amendment for future versions. He also suggested that the objectives on each page should be numbered, together with the risks detailed under each objective.

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, including Cllr. Lance Pennell.

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.

83.14 Internal Auditor’s Interim Report 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 22.06.15 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 interim report summarised his main findings to date 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 proposed, 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, noted the management action plan and the overall "Adequate Assurance" rating at this point in the year.

84.14 Five Year Plant, Vehicle & Machinery Programme.

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

The current year's programme was as follows:

Acquisitions		Disposals		Net Cost
<u>2014-2015 (Actual)</u>				
Tree Clipper	£ 18,110			
Spearhead Twingo SPV	£ 136,550	Tractor John Deere 6610	£ 17,500	
		Bomford B68-B68 Flail	£ 10,250	
Tractor	£ 55,500	John Deere 7710 Tractor	£ 24,000	
Flail	£ 55,000	Bomford B81-81 Flail	£ 6,000	
Front End Loader McCormick	£ 9,950	Tracked Excavator JCB160	£ 15,000	
TOTAL	£ 275,110		£ 72,750	£ 202,360

The proposed programme for 2015/16 was then discussed as follows (at pre-tender estimate prices):

Acquisitions		Disposals		Net Cost
<u>2015-2016</u>				
Chipper	£ 15,000			
Wheeled Excavator	£ 135,000	Terex 1305 (2006) Excavator	£ 15,000	
Weed Bucket	£ 6,000	Weed Bucket	£ 600	
Fuel Bowser	£ 5,000			
Caged Tipper Vehicle	£ 25,000	Isuzu Rodeo	£ 5,000	
TOTAL	£ 186,000		£ 20,600	£ 165,400

The detailed discussion and queries raised on the proposed programme at the Finance and General Purposes Committee on 14.01.15 were noted as follows:

- use of clipper, ability to share one between the 3 Boards not practicable, given all 3 would have heavy usage requirement during the winter works programmes. Also, the Board has started a programme of many years of heavy bushing winter works.
- The wheeled excavator is a straight replacement for the 2006 Terex one.
- The weed bucket is a straight replacement.
- The fuel bowser proposed is a maximum 1,000 litres tank, which would be sufficient to top up 2 excavators and a tractor/flail combination and be to a specification to meet required storage requirements.
- The caged tipper vehicle was proposed to work particularly in the urban areas of the district, like Lincoln and Grantham. It would make access easier and be less disruptive than a tractor and trailer (it was noted that Cllr. Mike Gallagher's query at F &GPC as to whether there would be a requirement for HGV licences was resolved and there would not be implications as it would be a maximum 3.5 tonne vehicle).

The Board resolved to APPROVE the first year of the 5 year programme for 2015/16 as set out and years 2016/17 to 2019/20 were NOTED as the indicative programme for future years.

85.14 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%, regrading costs of 7 Operatives to Craftsman B from 01.04.15, implementation of the revised motor vehicles allowances policy as agreed today and the depreciation impact on revenue from the approved plant programme.

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 had gone to each of the 3 Boards.

The following issues were highlighted on main budget headings:

- Income £73k – increases in income had been included for Drainage Rates (£3k) and Special Levies (£20k) at 1.75% in order to set a balanced budget. FDGiA grant had been removed at £20k, as no relevant one-off schemes were proposed for 2015/16. Significantly, contributions from Reserves had been removed, which was £22k in 2014/15 to achieve a balanced budget and a further £54k in 2014/15 for one-off capital schemes.
- Board and General Administration £0k. – minimal changes.

- One-off Schemes (£74k) – budget removed for 2015/16, if any schemes come forward these will be subject to a separate report.
- Conservation £0k – no changes.
- Depot £0k – no changes.
- Drains £32k – inflationary pressures for pay award plus additional depreciation changes to reflect the agreed plant and machinery programme 2015/16. The one off 2015/16 impact of implementing the agreed revised motor vehicles policy is included here at £29k (and the corresponding funding from reserves).
- Pumping Stations £5k – includes inflationary pressures for pay award plus depreciation impact of the agreed plant and machinery programme.
- Joint Administration/Witham House £5k – up pensions impact of year 2 of 3 year ECR.
- Engineers (£48k) – reduced (£48k) costs reflects part year 2015/16 secondment of the Engineer to 31.10.15 and the recharge of the Board's Assistant Engineer post across 3 Boards.
- Consents & Enforcements £0k – the cost of then post is fully met by recharges income from LCC to the 3 Boards.
- Contribution to Reserves/Pay Contingency £7k – the Internal Auditor had suggested that, in addition to the 1% pay uplift to budget, the Estimates should include a further 1% pay contingency.
- Rechargeable Works £0k – no changes.
- EA Precept £0k – inflationary increase of 2% was included in the 2014/15 baseline but was not needed, so no further adjustment needed for 2015/16.

As all these variations in effect total nil, a balanced budget could be achieved for 2015/16, based on the assumptions as stated and including a 1.75% increase in the 'penny rate'.

The full budget, as proposed for 2015/16 was included in the report, but was summarised as follows:

	Approved 2014/15 Estimate	Provisional Outturn 2014/15	Proposed Estimate 2015/16	Changes Est 14/15 to Est 15/16
	£	£	£	£
Income	(1,244,53)	(1,226,738)	(1,171,725)	72,813
Board & General Admin	22,281	20,253	22,054	(227)
Capital	74,000	82,475	-	(74,000)
Conservation	1,500	1,425	1,500	-
Depot	21,323	34,996	21,451	128
Drains	444,133	463,614	475,742	31,609
Pumping Stations	165,071	128,391	170,487	5,416
Joint Admin/Witham House	145,861	154,146	150,771	4,910
Consents & Enforcement	15,119	14,426	15,683	564
Engineers	173,735	136,453	125,272	(48,463)
Contribution to Reserves/Pay Contingency			7,250	7,250
PWLB				-
Rechargeable Works	11,352	22,275	11,352	-
EA Precept	170,163	166,826	170,163	-
(Surplus)/Deficit	-	(1,458)	-	-

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:

Reserve	2014/16 b/fwd £	2014/15 c/fwd £	2015/16 c/fwd £
Revenue Reserve	(150,000)	(150,000)	(120,000)
Plant & Machinery	(373,590)	(218,736)	(156,680)
One off schemes	(40,000)	0	0
Balance	(564,170)	(368,736)	(277,446)

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

86.14 Annual Values, Penny Rate, Drainage Rates and Special Levies for 2015/16.

A report setting out the land changes from drainage rates to Special Levies between 01.01.14 and 31.12.14, the proposed changes to the 'penny rate' for 2015/16, the Drainage Rates for Occupiers of land for 2015/16 and the Special Levies for the relevant 5 Councils had been circulated with the agenda.

The report outlined Annual Values as per last year's rates setting and the movements of land which had been developed and which therefore comes out of Drainage Rates and is allocated to Special Levy for the appropriate Council. The 17 movements of land between 01.01.14 and 31.12.14 from Drainage Rates to a Council's Special Levy were set out as follows:

Plan	Field	Area ha	Parish	Council
SK9166	1928	0.749	Thorpe on the Hill	NKDC
SK9051	7722	0.472	Fulbeck	SKDC
SK9265	6026	0.294	South Hykeham	NKDC
SK9165	9137	0.400	Thorpe on the Hill	NKDC
SK9365	2662	4.985	North Hykeham	NKDC
SK9365	4253	4.595	North Hykeham	NKDC
SK9365	6539	4.697	North Hykeham	NKDC
SK9365	4285	3.585	North Hykeham	NKDC
SK9365	5180	1.900	North Hykeham	NKDC
SK9365	6081	1.079	North Hykeham	NKDC
SK9365	6400	0.079	North Hykeham	NKDC
SK9365	6885	0.568	North Hykeham	NKDC
SK9365	7681	0.166	North Hykeham	NKDC
SK8857	1267	0.521	Stapleford	NKDC
SK9254	3990	0.064	Brant Broughton	NKDC
SK9264	8180	6.480	South Hykeham	NKDC
SK8770	8877	0.168	Harby	N&SDC

If members approved these land movements, these lead to the following Annual Values being set as at 31st December 2014:

	Pumped £	Gravity £	Total £
Drainage Rates	799,807	1,567,718	2,367,525
City of Lincoln	11,251	6,495,448	6,506,699
North Kesteven DC	155,418	2,461,727	2,617,145
South Kesteven DC	0	1,772,685	1,772,685
West Lindsey DC	198,950	153,478	352,428
Newark & Sherwood DC	41,596	50,534	92,130
Total	1,207,022	12,501,590	13,708,612

The following 'penny rates' were then applicable, given a 1.75% proposed uplift for 2015/16:

	Pumped (pence)	Gravity (pence)
Current	15.9098	6.1954
Proposed	16.1882	6.3038

This increases the income generated from Drainage Rates (allocations x penny rates) from £225,126 to £228,300 (+£3,175) for 2015/16.

These land transfers, revised Annual Values arising and the revised 'penny rate' for pumped and the revised 'penny rate' for pumped and gravity areas determine the 5 Councils' new Special Levies for 2015/16 as follows:

Council	Current 2014/15 £	Proposed 2015/16 £	Difference £	Increase £
City of Lincoln	404,209.00	411,282.65	7,073.65	1.75
NKDC	170,051.82	180,342.34	10,290.42	6.05
SKDC	109,649.29	111,746.86	2,097.57	1.91
WLDC	41,161.12	41,881.44	720.31	1.75
N&SDC	9,686.10	9,919.22	233.12	2.41

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 Annual Values as at 31st December 2014 upon which Drainage Rates and Special Levies for 2015/16 are calculated at £13,708,612.
- an uplift in the 'penny rate' of 1.75% to 16.1882 pence for pumped and 6.3038 pence for gravity areas in the drainage district.
- the Special Levies for 2015/16 be agreed for the 5 Councils as follows:
 - City of Lincoln Council £411,282.65
 - North Kesteven District Council £180,342.44
 - South Kesteven District Council £111,746.86
 - West Lindsey District Council £41,881.44
 - Newark and Sherwood District Council £9,919.22

- The Chairman and Chief Executive be authorised to sign the 'Rate Book' and apply the Board's seal.

87.14 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.

88.14 Director of Operations' Report.

The Director of Operations' Report for the 2 months period 01.11.14 to 31.12.14 had been circulated with the agenda and was presented, together with a verbal update.

- **Planned Maintenance Programme.**

The main summer mechanical maintenance programme continued through this period. The drains within the Lincoln to Gainsborough were completed. In the area to the south of Lincoln the majority of the drains had been maintained. Those that were outstanding have either standing crops [sugar beet] or drilled crops [rape/winter wheat] that obstruct entry.

Where the watercourse is serving only one occupier, and after discussion, 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 of land are served by the drain we have requested, and gained, entry to the drain side.

The mini-digger is busy undertaking maintenance of roadside drains or where access is restricted.

The Komatsu long reach machine is currently completing the cutting of the Boultham/Decoy/Skellingthorpe pump drains for a second time. This system was cut early in the season, but with the ideal growing conditions experienced during the summer months it was felt that the drains would benefit of a second ahead of the winter/spring months.

Two large bank slips have been reported and these will be repaired either by the Board in January or passed on to Lincoln County Council, as the Highways Authority. The Board will repair a slip that is partially obstructing low flows within Green Lane Drain, Beckingham. The slip which effects Thurlby Drain Branch will be passed to the Highways Authority, as the verge which has been eroded supports a paved highway.

- **Plant**

The Board has completed the disposal of the JCB JS160 for a sum of £18,600 (including VAT) to Clements Plant Ltd. It has purchased a portable welder for use within the workshop.

- **Pumping Stations**

The 2 submersible pumps have been removed at Ingleby Pumping Station by Perry's Pumps of Lincoln. A fault was suspected on no.1 and so it was removed for inspection and repair. Whilst craneage was on site to re-install no.1, no.2 pump was removed for inspection and repair as required.

Pump no.1 was removed from Oxpasture Pumping Station as part of the 3 year agreed refurbishment programme of both the pumps and motors. This work is being undertaken by Shoebridge Engineering Ltd. of Spalding.

- **Workforce**

One Operative had returned to work in early December, following a period of sick leave from July 2014. One Operative remained on long-term sick leave.

- **Public Sector Co-operation Agreement**

The Board has completed work on behalf of the Environment Agency on Foston Beck [where access is currently possible] and Boultham Catchwater since the last meeting.

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

89.14 Consents & Enforcements.

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.

In relation to cases within the drainage district, the following were outlined (a date is shown either when the consent was given or the case closed):

- **Byelaw Consent Applications.**

Reference	Location	Applicant	Details	Date
UD-1600-2014-CON	Pike Drain, North Hykeham	Mr N D Taylor	Various garden works	23/12/14
UD-1635-2014-CON	Pike Drain Diversion, Lincoln	Anglian Water	Works in chamber	18/11/15
UD-1640-2014-CON	Fen Farm, Claypole	Kings Farmers	Outfall into Stubton Drain - Awaiting	
UD-1779-2014-CON	Willowbend, Station Road, Collingham	Birch Pool Fishing Syndicate	2ft high electric otter fence around Burton Pits 4 & 5	12/01/15

- **Section 23 Land Drainage Act Consent Applications.**

Reference	Location	Applicant	Details	Date
UD-1777-2014-CON	Tiber Road, North Hykeham	Barratt Homes	Access culvert for school	
UD-1811-2015-CON	East of Fenton	Beeswax Farming	37no. underdrainage outfalls	

- **Section 23 Land Drainage Act Consent Applications – Extended Area.**

Reference	Location	Applicant	Details	Date
UE-1671-2014-CON	Sturton by Stow	LCC	Awaiting	
UE-1688-2014-CON	Whisby Way Ind Est.	Alan Wood & Partners	Outfall into Prial Drain	12/01/15
UE-1809-2015-CON	North-East of Fenton	Beeswax Farming	65no. underdrainage outfalls	
UE-1810-2015-CON	East of Sutton	Beeswax Farming	9no. underdrainage outfalls	

In relation to enforcement cases, a position on those within the drainage district was given as follows:

Reference	Description.	Comment.	Recommended Action
UD-598-2013-ENF	Allens Business Park, Saxilby.	Construction of fence.	Contacted owner awaiting response. Case Closed 24/10/14
UD-886-2014-ENF, 2013.05	QK Cold stores, Tollbar Drain, Marston	Previously Case No. 2013.05 Low Service Wires	QK have agreed to move the cable over the next 6 months
UD-1191-2014-ENF	Possible maintenance required to watercourse, Meadow Lane, North Scarle	Possible maintenance required	Not possible to determine if there is an issue due to height of verge. Will monitor
UD-1493-2014-ENF	Allotment Gardens Off Boultham, Park Road, Lincoln	Tree in watercourse	Contact City of Lincoln regarding the trees awaiting response.
UD-1562-2014-ENF	Fosdyke Delph, Campus Way, Lincoln	Obstruction in watercourse	Letter to rail track, who are investigating.
UD-1615-2014-ENF	Catchwater Drain, South Hykeham	Horses on Board drain causing a problem	Letter sent to owner of horses, awaiting response
UD-1667-2014-ENF	Sudbrook Beck, Sudbrook	Excavation in beck for water extraction	Contacted land owners awaiting a response

On enforcement cases undertaken under Memorandum of Understanding, for the LLFA (LCC) in the extended catchment, the position was:

Reference	Description.	Comment.	Recommended Action.
1213.25 UE-165-2013-ENF	<i>Waterlogging and flooding issues at Allotments adjacent to Poplar Farm Development, Grantham</i>	Flooding issue	Contacted Rail track awaiting further action.
UE-301-2013-ENF (1213.11)	Flooding of property. Waterloo Cottages, Belton.	Possible blocked culvert	Remedial work appears to be on-going
UE-656-2013-ENF	Rose Hill Close, Saxilby	Problems with watercourse due to new development	Awaiting confirmation from owners agent that the work has been undertaken
UE-877-2014-ENF	16 Darwin Close, Waddington	Flooding in garden	Continue to Monitor
UE-893-2014-ENF	Land at rear of Sedgebrook Road, Allington	Possible maintenance to watercourse required	Continue to Monitor and investigate
UE-1311-2014-ENF	Fenton Lane, Stubton	Possible maintenance required and smell from watercourse	Contractor pricing work, Continue to Monitor and investigate
UE-1559-2014-ENF	8 Thoresby Close, Waddington	Blocked culvert caused flooding of properties	Awaiting CCTV survey and remedial action
UE-1703-2014-ENF	544 Newark Road, Lincoln	Flooding of garden	Awaiting response from LCC Highways regarding possible solution.

Members received and NOTED the consents and enforcements report.

90.14 Planning Application Report (Report No. E657E15).

A report summarising the planning applications considered and the comments submitted to the relevant Local Planning Authority (LPA) had been circulated with the agenda.

In addition, comments had been submitted to the Clerk of Foston Parish Council on the draft Foston Neighbourhood Plan and these were set out in the report.

Members received and NOTED the report on planning applications considered.

91.14 Telemetry Upgrade Scheme – Project Review Report (Report No.654)

A report summarising the Project to upgrade the Board's telemetry had been prepared by the Engineering Services Officer and was circulated with the agenda.

The original telemetry system was installed in 1994 (Scheme ref S88), comprising Dynamic Logic outstations at Burton, Coulson Road, Oxpasture, Pyewipe and Torksey Syke Pumping Stations. Outstations were subsequently added at Mow Beck Weedscreen (now EA 'main river'), Hykeham and Saxilby Pumping Stations.

The Board accepted in 2006/07 that the system was limited and would become obsolete and a report in July 2009 (No.562) recommended the replacement of the 7 outstations at the pumping stations, the continued introduction of such outstations at pumping stations when the control panels were replaced and also the introduction of remote telemetry outstations to measure water levels where this would be beneficial.

The 'telemetry upgrade scheme' progressed using ITT Flygt's APP721 and 741 units at pumping stations and D7151 GSM units at the remote outstations, following a procurement process. ITT Flygt was the successor to the Dynamic Logic Company and Flygt has now become 'Xylem Water Solutions'.

The upgrade project received 45% EA FDGiA grant monies, the initial project cost estimate being £52,300 but the Board absorbing £2,300 to enable the project to remain at the £50,000 local EA area project authorisation limit.

In addition to the estimated scheme cost of £52,300 two project variations, with price increases associated, were subsequently agreed with the EA as follows:

- Following Pitt Review and discussions with the EA about sharing information to provide a higher level of service for customers, the work was to allow an interface from EA to IDB Aquaview system and an interface from IDB Aquaview system to EA system.
- Expansion serial port to computer system at office, new transducers and ducting where existing systems at stations inadequate, introduction of new cabling to allow control and monitoring of pumps.

The report showed the total telemetry upgrade project costs, to 2014/15 as follows:

	<u>Estimate</u>	<u>Actual</u>
Master Station	£ 5,961.00	£ 8,770.00
Pumping Stations	£24,456.00	£39,029.64
Remote Stations	£21,853.00	£24,389.36
Total	£52,270.00	£72,189.00
GiA Approval	£50,000.00	£69,672.00
Variations Agreed by EA	£19,672.00	
Total GiA Approval	£69,672.00	
GiA received		£31,352.40
Actual Cost to Board *		£40,836.60
Amount to be reclaimed from developers at Poplar Farm Development, Grantham		£10,000.00

* Some of this may have been offset by Highland Water Contributions

The report set out some of the potential telemetry requirements in future, in keeping with telemetry installation principles previously agreed by the Board:

- the Pumping Stations are incorporated into the telemetry/pump control system when the control panels are renewed, stations outstanding being:
 - Broxholme (refurb due 2017)
 - Aubourn (refurb due 2019)
 - Decoy (refurb due 2021)
 - Sand Syke (refurb 2017)
 - Fen Lane (refurb due 2021)

- remote telemetry units are placed in locations where the Board has currently accepted responsibilities for the maintenance of storage/regulation systems. These are:
 - Longcliffe Road Balancing Lake.
 - Brayford Enterprise Park Lagoon (if adopted).
- Remote telemetry units are placed in locations where the information would be of use to the Board. These locations will present themselves on occasions. At present, likely locations may include:
 - Newark Road (Pike drain/Pike Drain Diversion confluence).
 - Locations highlighted by the Lincoln Combined Catchment Study.

Members received and NOTED the report reviewing the Telemetry Upgrade Scheme (ref S88) as AGREED in July 2009, subsequently subject to variations and which received 45% EA FDGiA grant funding totalling £31,352.40 with a cost to the Board of £40,836.60.

92.14 Any Other Business.

There were no further items of business.

93.14 Date, Time and Place of Next Meeting.

The next meeting of the Board was confirmed for Monday, 27th April 2015 in South Hykeham Village Hall commencing at 2.30 pm.

.....Chairman..... Date
 UWBM 26.01.15