

NORTH EAST LINDSEY DRAINAGE BOARD

Minutes of a meeting of North East Lindsey Drainage Board, held on Tuesday 21st January 2020 at The Amethyst Hotel, East Halton, North Lincolnshire, DN40 3NS at 2pm.

Present: Mr. S. Bedford
Cllr. P. Clark
Alderman I. Colquhoun
Mr. J. Finch.
Mr. J. Fussey.
Mr. L. Grooby **Vice Chairman**
Cllr. S Harness
Mr. J. F. D. Hargreaves
Mr. P. J. Hoyes **Chairman**
Mr. R. Kirk.
Alderman P. Mills
Cllr. B. Parkinson
Mr. S. Shepherd
Cllr. D. Wells.

In Attendance: Miss J. Flower, Executive Assistant
Mrs. J. Froggatt, Chief Executive
Mr. S. Larter Director of Finance & Governance
Mr. M. Shilling, Director of Operations & Engineering

1. Apologies

Apologies for absence were received from Mr. M. Archer, Cllr. M. Green, Cllr. R. Hannigan, Cllr. L. Nici, Cllr. M. Patrick, Cllr. G. Sheridan and Mr. P. Wilkins.

2. Declaration of Members' interests.

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

3. Chairman's Announcements.

The Chairman welcomed members to the January meeting of the Board.

He advised that a key feature of the agenda was for the Board to approve Budget Estimates for the next financial year.

Key to setting a balanced budget for next year is the Board approving the Annual Value as at 31st December 2019, approving the in-year land movements to 31st December 2019 and setting the Penny Rate. Members noted a 2.00% proposed increase in the Penny Rate in the pound. By approving this, the Board could then set for next year the drainage rates and special Levies for the three relevant councils.

With the support of members, given a series of heavy rainfall events recently, the Chairman suggested taking the agenda to item 8, the Chief Executive's Report, and then to bring forward item 18 and receive the Director of Operations and Engineering Services' update.

4. Minutes of the Board and Annual Public Meeting held on 19.11.19.

The minutes of the Board's previous and Annual Public Meeting held on Tuesday, 19th November 2019 were proposed, seconded and were APPROVED as an accurate record.

MATTERS ARISING:

There were no matters arising, all items being covered by the agenda.

5. Minutes of the Joint Services Committee meeting held on 13.01.20.

A copy of the minutes of the Joint Services Committee meeting held on Monday, 13th January 2020 had been circulated with the agenda. The Chief Executive highlighted the following items to members:

5.1 Chief Executive's Briefing, Joint Services Agreement (minute 6.1 refers)

The Joint Services Agreement between the 4 Boards became operational on 01.04.17. It specified each Board's contribution rate to the cost of joint services, and a review period of 3 years.

Officers now had almost 3 years' experience of the issues and workload generated in each Board and feel, on balance, that some modification is justified from 01.04.20 to the percentage contributions. It was outlined that factors such as income and expenditure, Special Levies and drainage rates accounts (including complexity and number of accounts), Operatives/Contractor workload, consents/enforcements and planning applications (numbers and case complexity) had been compared. The following changes were recommended:

	Current % Contribution	Proposed % Contribution
Upper Witham	33.4%	30%
Witham First	20.9%	20%
Witham Third	29.2%	30%
North East Lindsey	16.5%	20%

The JSC meeting to be held on 16.12.19 had been postponed enabling completion of the draft Budget Estimates for 2020/21 for each Board, so that members would not take decisions in isolation about the proposed joint services budget but would see this in the context of overall affordability.

The overall joint services budget 2020/21 is £911,050 which on the proposed revised contribution rates would be:

Upper Witham	£	273,315
Witham First	£	182,210
Witham Third	£	273,315
North East Lindsey	£	182,210

There followed discussion about the Joint Services Agreement, the impact on each Board, the need not to look at the first 3 years of assimilation of NELDB into the Group and to set a fair formula thereafter. JSC Members felt that if challenges were made to the respective contribution rates from April, there should be a regular review (say every 3 years) but unless there was a specific reason there should not be great further variations to contributions. The recommendation that the two larger Boards each contribute 30% and **the two smaller Boards each contribute 20%** of costs gave the greatest savings to Upper Witham and **the greatest increase to North East Lindsey**.

Following discussion about achieving an equitable position for all 4 IDBs, Mr Philip Hoyes had proposed and Mr. Peter Gilbert seconded the approval of the recommended contribution rates (UW 30%, W1st 20%, W3rd 30% and **NEL 20%**) from 01.04.20 and that these be fixed for a 3 years period and reviewed for 01.04.23. This was supported and approved by all present.

Members noted discussion and agreement at the Joint Services Committee.

6. Chief Executive's Report.

The Chief Executive's report had been circulated with the agenda and issues highlighted included:

6.1 High Rainfall Events

Since the last Board meetings in November, the high rainfall events continued into December and the drainage districts continued to feel the impact, e.g. on 29.11.19 a further breach of EA main river occurred, this time at Timberland Delph, impacting on Witham First DIDB and Blankney Pumping Station in particular.

Regular telephone conference calls between the IDBs, the EA and the NFU continued and the IDBs continued to provide mutual aid and support to the EA as necessary.

W1ST	£ 110,572.47
W3RD	£ 52,530.19
NELDB	£ 22,703.80
UW	£ -
TOTAL	<u>£ 185,806.46</u>

Endeavours are being made to seek reimbursement of these costs. December costs too will be claimed, but there is as yet no assurance that these additional costs will be reimbursed by the EA.

6.2 Year-end forecast positions, 31.03.20.

At the November Board Meetings each of the Boards had a healthy 2019/20 financial position, although members were advised that this would change when we knew the full costs of the rainfall events.

Largely due to the impact of additional costs incurred within Drainage districts due to Boards accepting water from EA main river failures, each of the Boards is now forecasting a deficit 2019/20 year-end position as at 31.03.20:

Upper Witham	£97k deficit
Witham First	£132k deficit
Witham Third	£104k deficit
North East Lindsey	£12k deficit

Whilst officers endeavour to seek external financial support, these forecast year-end positions mean we are looking at utilising and depleting reserves.

6.3 Budget Estimates for 2020/21

Based on a set of stated assumptions (e.g. 3.7 pay awards, 2% increase in the Penny Rate in 3 Boards and 2.4% increase in UW, land movements as at 31.12.19, inflating uplift on NNDR and utilities etc) each of the 4 Boards is able to set a balanced budget for 2020/21.

6.4 IDB Training Event 27.11.19

The 4 IDBs hosted an IDB training event for all Lincolnshire IDBs, which was held in Woodhall Spa on 27.11.19. There was very good attendance, with 86 people there.

The EA's Chair, Ms. Emma Howard-Boyd visited Lincolnshire on that day and joined the event at lunchtime, presenting to the audience immediately after lunch, before visiting one of the sites of flooding at Barlings Eau breach site (which inundated Witham Third's Stainfield Pumping Station).

6.5 FloodEx event 26th & 27th February 2020.

Members were reminded that the ADA Flood Ex 2 day event will be at the Peterborough Showground on Wednesday 26th and Thursday 27th February. The event is free to attend and members are asked to register in advance on line at the link on ADA website: <https://www.ada.org.uk/events/floodex/>

(Please phone Witham House on 01522 697123 for any queries on registering).

The Chief Executive's report was received and noted.

7. Schedule of Expenditure for the period 01.11.19 to 31.12.19.

The schedule of expenditure for the two months ended 31st December 2019 had been circulated with the agenda and was presented by the Director of Finance & Governance. The schedule is of invoices paid in the period and therefore expenditure incurred in the two months period may be excluded (e.g. December Pumping Station electricity costs, paid in January).

Items highlighted to or by members included:

- Item 2: £1,152.60 (net) to Ancholme Internal Drainage Board for the provision of telemetry services at Pumping Stations for 01.12.19 to 31.03.20 following the liquidation of the previous company, Control Star.
- Item 15: £80,509.50 (net) to Environment Agency for Flood & Coastal Erosion Risk Management Levy, the second payment for 2019/20 of two. All Lincolnshire IDBs pay this levy to the EA which allows the EA to maintain rivers to the benefit of IDBs.
- Item 44: £4,180.00 (net) to T&J Fletcher for the replacement gridding at Mawmbridge PS.

Members noted the schedule of expenditure incurred for the 2 months 01st November 2019 to 31st December 2019, which totalled £168,347.30 gross or £156,188.58 net of £12,158.72 VAT. There were no recharges to other bodies during this period.

8. Financial Performance Report to 31st December 2019, month 9 of 2019/20.

The Financial Performance Report to 31st December 2019, had been circulated with the agenda and the Director of Finance and Governance presented the position, summarised as:

Profiled Budget P9	Actual (Surplus)/Deficit	Variance
£	£	£
(121,184)	(159,804)	(38,620)

Whilst the Board was showing a positive variance of (£38,620) against the budget profile, with an actual surplus position of (£159,804) as at 31.10.19, members were advised that the recent high rainfall and ongoing flood events would lead to additional electricity costs which would feed through into the next financial monitoring report to 31.12.19 which will come to the Board in May. The position was set out as:

	1	2	3	4	5	6
	2019/20	Profiled	Actual	Variance	Provisional	Variance
	Estimate	Budget			Outturn	(5-1)
	£	£	£	£	£	£
Income	(617,352)	(607,850)	(697,871)	(90,021)	(708,121)	(90,769)
Board & General Admin	36,100	22,105	16,832	(5,274)	27,925	(8,175)
One Off Schemes	185,000	0	74,944	74,944	74,944	(110,056)
Conservation	2,500	1,317	939	(378)	2,500	-
Depot	6,540	4,936	7,310	2,374	9,594	3,054
Drains	138,420	126,571	106,530	(20,041)	138,794	374
Pumping Stations	67,915	48,940	47,281	(1,659)	91,631	23,716
Staffing & Joint Admin	70,001	36,615	40,863	4,248	80,956	10,955
Consents & Enforcement				0		-
Engineers & Works Supervisor	133,246	83,552	86,843	3,291	137,451	4,205
Contribution to/(from) Reserves	(185,000)	0	(74,944)	(74,944)	(74,944)	110,056
PWLB				0		-
Rechargeable Works	0	0	70,451	70,451	70,451	70,451
EA Precept	162,630	162,630	161,019	(1,611)	161,019	(1,611)
FRS17 Pension Adjustment (net)				0		-
Wages & Plant Holding Account				0		-
(Surplus)/Deficit	0	(121,184)	(159,804)	(38,620)	12,199	12,199

On income, Special Levy payments by the 3 councils had been received in full. Drainage Rates invoices for 2019/20 had been posted out in April 2019, albeit historical land queries are still being resolved. The collection rate for drainage rates income as at 31.12.19 was 90.5% (compared with 72.2% at the same point in 2018). A court date for outstanding account holders, having been set for 22.11.19, was cancelled as all bills were now paid or in query.

Also on income, Highland Water claims have been paid by the EA for the balance of 2018/19 actual claim (£29,339) and for 80% (£61,600) of the 2019/20 estimated total claim for 2019/20 (£77,000). The balance adjusted for actual 2019/20 spend will be payable in September 2020.

Rechargeable Works have been undertaken again for the EA, however the majority of these works are currently on hold. Therefore, the Rechargeable Works income is currently (£61k) ahead of target. Also included are the recovery of costs incurred in connection with the proposed new pumping station at Killingholme Marshes and recharged to Able UK Ltd. This was (£3.5k) of income.

As reported at a previous Board meeting, the current telemetry provider Controlstar has gone into administration and been liquidated. The Board had secured a temporary arrangement with Ancholme IDB, who purchased the 'assets' of Controlstar, to allow it to access the existing telemetry equipment for a period of 4 months from 01st December 2019 to 31st March 2020 at a one off cost of £1,152.60.

In order to provide a solution for the future, the Board needs to invest in a new telemetry system. The Board had already started to move to a new system by installing a Xylem telemetry system in the new control panel installed at Middle Drain. This was the first site to use Xylem for this Board.

To extend the Xylem system to all sites across the district, 10 sites in total including Middle Drain, then investment in the new equipment is required. A quote for the remaining 5 pumping stations in the sum of £12,365.22 has been received. The quote for the 4 other monitoring stations is awaited.

Members were requested to approve up to £25,000 from Reserves to meet the one-off costs of the telemetry upgrade, so that it could be completed in the current 2019/20 financial year before the current access rights cease. The ongoing annual costs would be met from the existing budget.

The bank balances as at 31st December 2019 were set out as follows:

<u>Barclays Bank plc</u>	
Payments Account	£ 4,139.45
Receipts Account	£ 1,384.53
General Deposit Account	£ 240,804.19
Developer Contributions Account	£ 131,952.49
Nationwide Instant Access (Dev Cont's)	£ 151,119.40
Total	<u>£ 529,400.06</u>

Members noted the financial performance for 01st April to 31st December 2019, the first 9 months of 2019/20, and **APPROVED** up to £25,000 be contributed from Reserves to replace the existing telemetry systems.

9. Risk Register.

A joint Risk Register summary had been circulated with the agenda and was presented by the Director of Finance and Governance.

The four IDBs share a common Risk Management Policy, Risk Strategy and Risk Register, which was last approved at the September 2019 round of Board meetings.

The Corporate Risk Register captures the high-level risks the four Boards face. These are generic to all four Boards with any specific risks to a particular Board highlighted.

Following the recent heavy rainfall events during 2019, a number of risks had been reviewed. The key changes were:

- risk likelihood has been increased due to the pumps running many more hours than normal. This will be mitigated by reviewing the pump lift programme and lifting some pumps earlier than currently planned where excessive additional hours have been incurred.
- likelihood of insurance claims increased and direction of travel moved upwards as a result of flood damage.
- Reputational impact due to complaints and issues received, mainly resulting from EA main river breaches and failures, but which has affected drainage rate payers adversely

Members were reminded that the Risk Register is considered by the Board at least twice annually, in January ahead of agreeing the Budget for the following financial year and in May when the Annual Governance Statement is completed.

Members reviewed the Risk Register and **APPROVED** the key changes as at January 2020.

10. Estimates for 2020/21 and the recommended Joint Services Budget.

A report had been circulated with the agenda and was presented by the Director of Finance and Governance.

Detailed work has been undertaken to review the actual income and expenditure in 2019/20 as at 31st December 2019. This has been projected forward to provide an indicative outturn position as at 31st March 2020. This position was used to inform the budgets for 2020/21, together with any known cost pressures, necessary developments and known savings. The proposed Budget Estimates for 2020/21 were summarised as:

	1		2	3
	Budget 2019/20		Budget 2020/21	Variance
	£		£	£
Income	(617,352)		(658,310)	(40,958)
Board & General Admin	36,100		16,650	(19,450)
One Off Schemes	185,000		-	(185,000)
Conservation	2,500		2,500	-
Office/Depot	6,540		8,250	1,710
Drains	138,420		142,420	4,000
Pumping Stations	67,915		74,450	6,535
Joint Services	70,001		96,410	26,409
Consents & Enforcement	-		-	-
Operations & Engineers	133,246		155,000	21,754
Contribution to/(from) Reserves	(185,000)		-	185,000
PWLB	-		-	-
Rechargeable Works	-		-	-
EA Precept	162,630		162,630	-
FRS17 Pension Adjustment (net)	-		-	-
Wages & Plant Holding Account	-		-	-
(Surplus)/Deficit	-		-	-

In terms of inflation and other factors, pay and associated costs have been increased by 3.7% as previously agreed by the Board, NNDR by 2.5%, with all other costs having a 0% inflationary uplift unless any adjustment has been required to rebase the budget to known or required spend. Budgets for the impact of the new depot and office facility are already included.

A balanced budget position can be achieved for 2020/21 based on these assumptions and a recommended 2.00% increase in the penny rate.

A new Joint Services Agreement signed by all 4 Boards became operational from 01st April 2017. This included agreed cost sharing arrangements of Upper Witham (UW) 33.4%, Witham First (W1) 20.9%, Witham Third (W3) 29.2% and **North East Lindsey (NEL) 16.5%**. As part of the agreement these allocations were to be reviewed after 3 years and therefore were reviewed for the 2020/21 Budgets from 01.04.2020

As the arrangements have been in place for 3 years, Officers have a better understanding of the volume of works involved in supporting all 4 Boards. At the JSC meeting on 13th January 2020, revised JSC allocations were agreed and included in the Budget Estimates for each Board as follows:

	UW	NEL	W1	W3
2019/20	33.40%	16.50%	20.90%	29.20%
2020/21	30.00%	20.00%	20.00%	30.00%

For 2020/21, revised Pension Employer Contribution Rates have been certified by the Lincolnshire Pension Fund Actuary, Hymans Robertson as part of the triennial revaluation of the Pension Fund. The following table sets out these changes, which are applicable for the following 3 years:

Employer Pension Contribution Rates				
	NEL	UW	W1	W3
Current (2019/20)				
Primary %	17.9%	18.4%	26.8%	24.0%
Secondary £	£ 17,000	£ 58,000	£ 5,000	£ 39,000
Overall % of Pay	59.2%	35.4%	29.1%	31.7%
2020/21				
Primary %	20.7%	19.7%	19.3%	18.9%
Secondary £	£ 1,000	£ 51,000	£ -	£ 26,000
Overall % of Pay	23.3%	33.9%	19.3%	23.7%
2021/22				
Primary %	20.7%	19.7%	19.3%	18.9%
Secondary £	£ 1,000	£ 53,000	£ -	£ 26,000
Overall % of Pay	23.3%	33.9%	19.3%	23.7%
2022/23				
Primary %	20.7%	19.7%	19.3%	18.9%
Secondary £	£ 1,000	£ 54,000	£ -	£ 27,000
Overall % of Pay	23.3%	33.9%	19.3%	23.7%

Increases have been included for Drainage Rates and Special Levies (£26k) at 2.00% in order to set a balanced budget 2020/21 and to protect the baseline in line with inflation.

The Rechargeable works budget has not been changed, as no written confirmation as to the level of PSCA works to be requested by the EA has been received. Correspondingly, the budget for rechargeable works expenditure has also not been increased. However, Rechargeable works does include a new budget (£15k) for the management and supervision element of the EA PSCA works.

The Highland Water budget has not been adjusted and has been retained at the 2019/20 base.

No one-off or Capital schemes are proposed at this stage for 2020/21. A scheme continues to be progressed for the refurbishment of Immingham Pumping Station with other partners, which will hopefully be funded through the EA's Flood Defence Grant in Aid (FDGiA) scheme. Should the Board wish to undertake any schemes during 2020/21 then these can be approved at any time during the financial year so long as they can be funded (either externally or via reserves).

The budget for Drains has increased for the summer maintenance contractor Eric Carnaby & Son Ltd by £4k, to allow the contract to be extended for a further 2 years as discussed at a previous Board meeting, with the contractor agreeing a 4.75% increase to cover the 2 year period 2020/21 and 2021/22. The Board's maintained system is maintained annually, and this is included in the price.

Pumping Stations. The budget for Pump Lifts has been increased from £25k to £30k to allow 2 pump lifts per year. This work is essential to ensure pumps are inspected on a regular basis, and is a condition of our insurance policy.

The JSC on 13th January 2020 recommended the JSC Budgets to the 4 Boards for inclusion in each Board's detailed Estimates. The main variance is providing for 3.7% pay award, increments and associated oncosts. Additional ICT budget has also been included £9.5k. Additional costs to this Board will be incurred due to the changes in the percentage contribution rates to JSC, however this achieves a more balanced share of the costs.

No contributions to or from reserves are being budgeted for in 2020/21. Should any contributions be required during 2020/21 then these can be approved at any time during the financial year.

If any surplus/deficit is made in the current financial year then this will be allocated to/from the General Reserve.

The Inflationary increase of EA Precept of 2% was included in the base already, so no adjustment to this budget head is proposed on this occasion and there is no increase in the EA's IDB precept for 2020/21.

The total of all the stated Variations is £0k. On this basis **a balanced budget can be achieved for 2020/21 based on the assumptions stated for 2020/21 including a 2.00% increase in the penny rate.**

Members were advised that it is prudent to hold a general 'Revenue Reserve' for emergencies of 10% to 15% of turnover and the balance held in 'earmarked reserves' for particular requirements. Therefore it was proposed the reserve balances be allocated on the following basis:

Reserve	2019/20 b/f £	2019/20 c/f £	2020/21 c/f £
Revenue Reserve*	(105,309)	(105,309)	(105,309)
Pumping Stations	(248,358)	(248,358)	(248,358)
Conservation	(11,634)	(11,634)	(11,634)
Rosper Road Pits	(7,559)	(7,559)	(7,559)
Developer Contributions			
South Killingholme	(133,950)	(59,006)	(59,006)
North Killingholme	(2,151)	(2,151)	(2,151)
Catch Site	(3,670)	(3,670)	(3,670)
Habrough Fields	(30,739)	(30,739)	(30,739)
Balance	(543,370)	(468,426)	(468,426)

The Revenue Reserve is the general 'contingency' reserve on which the Board has agreed a policy to retain between 10% to 15% of turnover. The balance, assuming a neutral position on the Revenue Account at the end of the current financial year, will equate to 16.0% for 2020/21. Whilst marginally above the upper policy limit it is prudent to await the final year end position for 2019/20. The Board can agree to reallocate balances between funds at any time.

The Pumping Stations reserve can be used for maintaining the fabric, pumps, and other 'one off' spends required at pumping stations. If a surplus is achieved in 2019/20 it is proposed

to allocate any balance to this reserve rather than the General Reserve to fund future works required.

The Conservation Reserve is to facilitate conservation initiatives within the Board's area.

The balance of the contributions received for the Rosper Road Pits project to be utilised in developing and maintaining this scheme.

A balance of the contributions received for various development contributions which will meet future maintenance and improvement costs as required. The balance reduced to fund the desilting works in 2018/19 and control panel in 2019/20 at Middle Drain.

Following discussion members were content to **APPROVE** the Estimates for 2020/21 based upon a **2.00% increase in the penny rate**.

11. Annual Value, setting of the Penny Rate, Drainage Rates and Special Levies.

A report had been circulated with the agenda and was presented by the Director of Finance and Governance.

Members were briefed on the schedule setting out the Annual Values that need to be agreed as part of the formal setting of the Drainage Rates and Special Levies, before 15.02.20 for the financial year 2020/21.

The Annual Values must be formally approved by the Board. These start with the brought forward from last year's rate setting as at 31st December 2018, with then the movements during the calendar year required for land that has been developed or is no longer used for agricultural purposes. This land transfers out of Drainage Rates and is allocated to the Special Levy for the appropriate Council.

The Annual Values as at 31st December 2018 were:

	Total £
Drainage Rates	610,777
North Lincolnshire Council	3,800,316
North East Lincolnshire Council	10,355,331
West Lindsey DC	84,775
Total	14,851,199

The land movements between 01.01.19 and 31.12.19 that require transfer from Drainage Rates to Special Levy are:

Council	Area ha
North Lincolnshire Council	48.84
North East Lincolnshire Council	60.83
West Lindsey DC	0.00
Total	109.67

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

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

The changes set out results in the following Annual Values as at 31st December 2019:

	Total £
Drainage Rates	600,675
North Lincolnshire Council	3,970,563
North East Lincolnshire Council	10,567,379
West Lindsey DC	84,775
Total	15,223,392

The following 'penny rates' will be applicable if the **2.00%** change as proposed is agreed:

	Penny Rate (p)
Current	3.8380
Proposed	3.9148

This will increase, net of land movements, the amount generated from Drainage Rates from £23,441 to £23,515 (+£74).

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

	Current £	Proposed £	Difference £	Increase %
NLC	145,856.13	155,439.60	9,583.47	6.57
NELC	397,437.60	413,691.75	16,254.19	4.09
WLDC	3,253.66	3,318.77	65.11	2.00
Total	546,547.39	572,450.12	25,902.77	4.74

In summary, income to the Board increases by a total of £25,976 (being an increase of £25,902 in Special Levy and a net increase in Drainage Rates of £74 due to transfer of agricultural land to other developed land).

Members **AGREED**:

- The transfer of land from Drainage Rates to Special Levy as set out is approved.
- The land valuations as at 31st December 2019 upon which Drainage Rates and Special Levies are calculated is set at £15,223,392.
- The ‘penny rate’ is increased by 2.00% to 3.9148 pence for all areas.
- The Special Levies 2020/21 be agreed for each of the 3 Councils as:

North Lincolnshire Council	£ 155,439.60
North East Lincolnshire Council	£ 413,691.75
West Lindsey District Council	£ 3,318.77
- The Chairman and Chief Executive be authorised to sign the ‘Rate Book’ and apply the seal of this Board and publicise the revised penny rates, estimated Drainage Rates and Special Levies before 15.02.20.

12. Heavy Rainfall Events 2019 ‘Statement of Claim’.

A copy of the email sent to ADA representatives by the Chief Executive with a ‘Statement of Claim’ had been circulated with the agenda. This ‘Statement of Claim’ relates to excess costs incurred in responding to and recovery from support to colleagues at the EA. Upper Witham IDB was not submitting a claim as no excess costs were incurred. The report therefore was for information only, but it highlighted the basis of the claim by the other 3 IDBs in the Witham & Humber group:

- The additional costs set out are only those excess costs incurred over and above the IDBs’ costs of dealing in their systems and Pumping Stations with the impact of heavy rainfall events from June 2019 to 30.11.19. The Boards have dealt with the pressures of in-year wet weather events in their systems as in-year cost pressures and these costs are excluded from this Statement of Claim [e.g. running repairs at pumping stations given the many hours of additional pumping incurred, overtime costs for Operatives working extended hours into the night and weekends, the cost of materials for emergency repairs].
- The excess costs incurred for the 4 Boards total £185,806.46 to 30.11.19 [costs beyond 30th November have not yet been quantified, e.g. December PS electricity invoices will not be received until after 07th January 2020, overtime costs for December are still being incurred].
- The excess costs are defined as the financial impact of IDBs dealing with water where those IDB systems were not designed to accept water from that source [i.e. mainly the impact of EA main river systems having bank breaches, bank overtopping or significant bank seepages into the IDB systems].
- The excess costs breakdown for which financial assistance is sought is Witham First District IDB £110,572.47, Witham Third District IDB £52,530.19, **North East Lindsey Drainage Board £22,703.80** and Upper Witham IDB £nil excess costs over and above those dealing with the Board’s own rainfall events.
- The bulk of the additional costs incurred is by Witham First DIDB, where the impact has been severe on electricity costs at the 13 Pumping Stations. Against an annual 2019/20 electricity budget of £56,485, the costs incurred to 30.11.19 were £144,167.
- Paragraph 5.12 provides a breakdown of costs incurred by Witham Third DIDB of the £23,700 labour and materials costs incurred to support EA incident sites in Lincolnshire

and should be differentiated from those costs incurred, for which the Board is not claiming assistance, in responding to IDB incidents.

- The impact on Witham First DIDB's financial plans would be severe, should financial assistance not be made available. This Board is now financially in good health, but due to legacy issues on Special Levy now remedied, it is only now developing a modest general reserve [which at this rate will be eradicated as at 31.03.20].
- Support was provided in some instances as a repose to EA incident requests, e.g. support for sandbagging by Witham Third DIDB as set out and at Park Beck. In some instances there was no other option but for the Board [in this case Witham First District IDB] to provide on-going mutual aid support over a period of say 7 weeks to a partner Flood Risk Management Authority, as the only means of evacuating a fen of water, e.g. Bank Breach of EA main river Dorrington Catchwater on 01.10.19 until sealed by EA contractor repairs on 22.11.19 [evacuated via a 60 year old syphon into a Board maintained drain taking all the water to the Board's Farroway Pumping Station, where it would not usually flow]. The formal LRF Emergency Command structure declared an emergency for only a comparatively short time period, from Thursday, 14th November 18.30 to Saturday, 16th November stood down at 10.00. Outside this short time frame agencies in Lincolnshire were working together and Incident Rooms were operational, but the situation was not a multi-agency formal emergency one.
- Colleagues at the EA, including the Area Director [Lincolnshire and Northants] are aware of the concerns that the IDBs have about the quantum of additional costs which has incurred by smaller public bodies in supporting them and 'understand the ask', but have not been able to underwrite any financial assistance as yet. Throughout this period, communications have been regular [alternate days of telecoms] between the EA's Area Director, the NFU and the Chief Executive.
- Approaches have been made to the two relevant Local Authorities to assess whether the Statement of Claim can be included within their Bellwin Claim. Both West Lindsey District Council and North Kesteven District Council have replied to confirm that the additional expenditure incurred by them does not meet the revenue threshold costs to trigger them invoking the Bellwin formula, so the IDBs do not have that claim mechanism via the Councils available to them on this occasion and it highlights that they have no alternative direct reimbursement mechanism available to them when excess costs are incurred.

Members noted the contents of the email and the 'Statement of Claim' to the EA.

13. Pensions Discretion Policy

A report had been circulated with the agenda and was introduced by the Director of Finance and Engineering.

Members were advised that the Local Government Pension Scheme (LGPS) in England and Wales was amended from 01st April 2014. The provisions of the new LGPS, together with protections for members benefits accrued before 01st April 2014, are now contained in the Local Government Pension Scheme Regulations 2013 (the 'LGPS Regulations 2013'), the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (the 'LGPS Transitional Regulations 2014') and the Local Government Pension Scheme (Amendment) Regulations 2018 ('LGPS Amendment Regulations 2018').

Under these regulations, there are various discretions that need to be approved by each individual employer

The draft LGPS Discretions Policy Statement was provided to members for review. This needs to be approved by the Board and submitted to the pensions administrators, West Yorkshire Pension Fund (WYPF), by the end of January 2020.

Members were content to **APPROVE** the LGPS Discretions Policy Statement.

14. Health and Safety Update.

A report prepared by the Operations Manager had been circulated with the agenda and was introduced by the Director of Operations and Engineering.

One near miss had occurred since the last report. This was on Witham Third. The near miss involved the Long Reach Volvo 210 getting stuck after breaking the surface in an area of peat, on the North Delph at Greetwell. It was classed as a near miss due to the hazards it posed in recovering the Excavator. The Excavator was very close to overhead cables with a voltage of 32000 V. The machine kept sinking until the top of the cab was level with the ground.

No Accidents were reported during the period.

The second Health and Safety meeting with our appointed Health and Safety representatives was scheduled for Tuesday, 28th January.

Training courses have been delivered to Operatives for the teleporter on Witham Third. Two Operatives from Upper Witham and one from Witham Third had undertaken a Chainsaw course on Emergency Tree works on 16th and 17th January. It was confirmed that training courses are available to NELDB's contract staff.

The company fitting cab hand rails to excavators were due to assess the machines week commencing 20th January 2020.

Members received, discussed and noted the Health and Safety update.

15. Environment Report

A report had been provided by the Environment and GIS Technician, Fiona Scott, and was circulated with the agenda. It was introduced by the Director of Operations and Engineering.

In 2019 IDBs continued to work hard to achieve their duty to conserve and enhance the environment under the Natural Environment and Rural Communities (NERC) Act 2006, despite the inclement weather. The rainfall events, subsequent flooding and bank changes (e.g. slips) since June are likely to significantly affect populations of rodent species such as water vole (*Arvicola amphibius*) and bank vole (*Myodes glareous*). This poor weather may have a knock on effect for barn owls (*Tyto alba*) as smaller rodents make up a high proportion of barn owl prey. Additionally, barn owls do not have waterproof feathers so wet weather, especially during winter, is particularly difficult for them.

The training day for members held on Wednesday, 27th November 2019 included presentations from Alan Ball from the Wildlife Conservation Partnership, Sarah Baker from the Greater Lincolnshire Nature Partnership and Dr Leona Skelton from Northumbria University who was standing in for the Lincolnshire 'Past Floods Matter' project leader Dr

Jane Rowling. These diverse and informative presentations were all very well received by guests.

Every box checked in the district contained barn owl (*Tyto alba*), kestrel (*Falco tinnunculus*) or both. A total of 25 successful barn owl chicks were counted and 16 successful kestrel chicks. A box at Rosper Road Pits has had a second brood of 4 chicks, all of which have fledged successfully.

Mawmbridge PS wildflower meadow was successful this year and has been topped up with seed in preparation for spring/summer 2020. A small meadow was also planted at Rosper Road Pits and some species had grown through, such as cornflower (*Centaurea cyanus*) and common poppy (*Papaver rhoeas*) before being topped in late summer. It is expected that the full bloom will appear in summer 2020. It was noted that these species were actually more arable weeds and although beneficial, Fiona Scott would seek to sow more wet grassland species such as marsh marigold that are most suited to a site such as Rosper Road Pits.

The bird species at Rosper Road Pits continue to be monitored and species such as black-headed gull (*Chroicocephalus ridibundus*), lapwing (*Vanellus vanellus*), coot (*Fulica atra*) and mallard (*Anas platyrhynchos*), among others.

The Rosper Road Pits site remains an important site for NELDB. The land adjacent, owned by the Environment Agency, is part of an upcoming 'Humber Habitat Project' and is just one of the sites included within the project.

A meeting scheduled with Rob Eames of the EA had taken place on 14th January 2020 which had been very positive. The EA are keen to move forward and aim to kick start the project in Autumn 2020.

A site meeting at the Board owned land at Kings Road, Immingham is being held at 10am on the 05th February with ACU (Auto-Cycle Union) who are carrying out a track inspection. A Board officer will be attending. A subsequent report will be released by the ACU.

Members received and noted the Environment update.

16. Director of Operations & Engineering Services' Report.

The Director of Operations and Engineering Services' Report had been circulated with the agenda. Due to the serious nature of the recent continuous flood and high rainfall events a joint report covering all four Boards that combined all issues was presented by the Director of Operations and Engineering Services.

High Rainfall Event September - December 2019

The 'Monthly water situation report', generated monthly by the Environment Agency, provides a factual description of catchment conditions. October's report confirmed our experiences and fears, namely:

- October saw above average rainfall across the county.
- Rainfall for the catchment Witham to Chapel Hill was 'exceptionally high' with a total of 118mm, 255% of long term average
- Soil Moisture Deficits have varied between 'notably low' in June to 'exceptionally low' in October

- River flows at Barlings Eau, Langworth are considered 'exceptionally high' being at 1073% of the long term average for the month. River flows at Claypole have been measured as 580% of long term average.
- Groundwater level in the central Limestone area are 'exceptionally high' for the time of year

Numerous Flood Warnings and Alerts were issued during this period across the districts by the EA. These instigated many Operational, Tactical and Strategic control group meetings and teleconferences. These calls allowed the Boards officers to communicate directly with other professional partners highlighting areas or specific sites of concern.

He was relieved to report that North East Lindsey district had seen much less rainfall than experienced by those to the south.

However, The Chief Executive requested that where possible Officers would be very keen to receive copies of any records held by members on local rainfall levels so that a larger picture could be provided on the historical levels and provide much more detailed evidence to share with other agencies. All members were requested to contact Officers if they had such records available to be scanned or copied.

The planned summer maintenance programme was now completed.

- **Mawmbridge Pumping Station**

The grid preventing debris obstruction the pump outfall has been replaced. Due to corrosion of the fixing bolts, the previous grid had failed. The decision was taken to renew the whole rather than just one section, as all grid fixings demonstrated similar signs of corrosion and potential for failure. This work was completed by T&J Fletcher of Winterton at a cost of £4,180.

- **Middle Drain Pumping Station**

Despite the installation of the new flapvalve, serving the gravity outfall at this site, in late October, it has been necessary to continue with the operation of the pumps at this site. Whilst the gravity outfall was dammed-off, silt accumulated within the outfall structure. This accumulated material is yet to be removed by the EA. Officers continue to seek a programme for the removal of the obstruction to the gravity outfall and an order under which its costs can be reclaimed. Meanwhile, this is part of the 'Statement of Claim' to the EA for costs reimbursement.

- **East Halton Skitter Branch No.2**

An order has been sent to AmcoGriffen to reconstruct the culvert under the disused railway line near East Halton. This work has an estimated cost of £12,297.

- **East Halton Skitter Beck Outfall**

The gravity outfall has been flushed out by the recent heavy rainfall and flows. The flapped outfall from Branch No.1 has been in operation regularly for the first time in a number of years. Whilst still not clear, the operation of this outfall has improved. At the request of the EA, the Board has submitted a price for the de-silting of the Beck from its outfall upstream to the flushing gate structure. Officers await the receipt of an order to proceed with this work.

- **Immingham Pumping Station**

Pump and motor no.2 have been removed for their periodic inspection and refurbishment. No particular issues have been reported. During the site's annual insurance inspection, an electrical connection to motor no.5 was found to be in poor condition. This was immediately made safe and the connection repaired by David Neal Electrical at a cost of £210.90.

- **Barton Drain Branch No.1**

This water course had been inundated by ground water flooding from the adjacent Wren Kitchens factory site. During the recent heavy rainfall, the access culvert into an adjacent field was obstructing the heavy flows from the town. The culvert was partially obstructed and in poor condition. Wren Kitchens have commissioned the replacement of this culvert to improve discharge performance. Officers (and Lionel Grooby, Vice Chairman) attended a site meeting to promote the creation of a new watercourse connecting Branch no.2 and Branch no.1. This watercourse would provide additional capacity during times of high flow. Discussions continue with the land owner and utility company before the design can be completed.

- **Healing**

The Board has been notified of two instances of flooding to residential properties in the Healing area. Advice and comment have been given to North East Lincolnshire officers. Both sites are outside of the Boards district.

- **Telemetry**

Arrangements continue to be made to convert the Boards telemetry system from the previous Control Star, now Ancholme IDB system onto the Xylem system to be hosted at Witham House. The estimated costs to bring all remaining pumping stations onto this system is £14,667. The stations concerned are Immingham, Little Buck Beck, Mawmbridge, New Holland Outfall and Estate pumping stations and Habrough Slide penstock. The Board has agreed to continue the existing arrangements until 31st March 2020 after which time the contract for access to and operation of the system, ceases.

The Xylem system is standard through much of the water industry and complies with relevant British Standards and ISO rating systems. It has already been installed within the Middle Drain MCC and is specified for inclusion within the new MCC at Immingham Pumping Station.

Environment Agency

- **Public Service Cooperation Agreement [PSCA]**

On 01st November 2019, all Drainage Boards undertaking work on behalf of the EA under the PSCA were instructed to cease work. This instruction remains in place. This is an illustration of the very wet and saturated conditions being experienced by all those working on the drain and river sides over the last few weeks and months.

- **Main River**

Since September, there have been numerous reports of seepage through the raised earth embankments, over topping and breaching of the main river system.

North East Lindsey DB

- Oldfleet Drain, left hand bank overtopping
- East Halton Skitter Beck, left and right hand bank overtopping

Members were reminded that the maintained systems and their outfalls, both pumped and gravity, are not designed to deal with such excess flows, especially not for such extended periods. Much of this excess has been generated from systems not maintained or operated by the Boards, or riparian owners.

Officers continue with their efforts to recover these additional costs, primarily from the EA, and to that end have drawn up a Statement of Claim which sets out these additional costs.

The Board's officers will review, all aspects of operations and maintenance activities, including programmes and levels of resource. Whilst the current levels are generated through previous experience and current needs, we must not be complacent and recognise the challenges provided by such events and how the nature of them may change in the future.

We will, as always, seek to find the balance between need and affordability, measure against reasonableness and desirability with the aim that we will provide to all rate payers, an appropriate standard of protection in an affordable and sustainable manner.

Members received and noted the report and presentation.

17. Engineering Services Report.

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

There were no particular issues to highlight to members.

Members received and noted the report.

18. Consents and Enforcements Report.

A report had been prepared by the Consents and Enforcements Officers, circulated with the agenda and was presented by the Director of Operations and Engineering, as follows:

Only two Byelaw consent applications had been received in the period.

Reference	Location	Applicant	Details	Date
ND-4962-2019-CON	Drain 16E / Falkland Way, Barton	Wren Kitchens Ltd	100m of retaining wall Land drain outfall	28-11-19

ND-4924-2019-CON	Town Croft Drain 200m N of A180 road	Anglian Water Services Ltd	280mm od water main 4.8m below drain bed	08-11-19
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Members received and NOTED the report on consents and enforcement cases.

19. Any other Business.

There were no further items of business and the meeting closed at 16:25.

20. Date, Time and Place of Next Meeting.

The next meeting of the Board was confirmed for Wednesday, 20th May 2020 at The Amethyst Hotel, East Halton. It will commence at 2.00pm.

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

NEL BM 21.01.20