

WITHAM FIRST DISTRICT INTERNAL DRAINAGE BOARD

Minutes of the ninetieth meeting of Witham First District Internal Drainage Board held on Tuesday, 10th February 2015 in Washingborough Village Hall at 2pm.

Present:

Mr. R.A.Fletcher - **Chairman**
Mr. P. Gilbert - **Vice Chairman**
Mr. E. Applewhite
Mr. D. Armstrong
Mr. S. F. Cobb
Cllr. R. Cucksey
Mr. R. Hall
Cllr. G. Hewson
Mr. R. Hickling
Cllr. D. Jackson
Mr. B. S. Leggate
Mr. S. B. Leggate
Mr. I. Mair
Mr. L. Maplethorpe
Cllr. J. F. Money
Mr. N. A. Osborne
Cllr. C. Oxby
Mr. E. H. Tonge
Cllr. P. Vaughan

In attendance:

Mrs. Jane Froggatt	Chief Executive
Mr. Martin Shilling	Director of Operations
Mr Steve Larter	Finance Manager
Mrs. Anna Wilson	Finance and Rating Assistant

1979 Apologies for absence.

Apologies for absence were received from Mr. J. R. Crust, Mr. T. Gilbert, Mr. M. D. Harrison, Cllr. R. Kendrick, Mr. D. Leggate, Mr. S. Maplethorpe, Mr. D. R. Means, Dr. V. Stanton and Mr. A.S. Whitehead.

1880 Declarations of Interest.

Declarations of interest were received from members nominated by City of Lincoln Council and North Kesteven District Council in matters relating to their respective Councils.

1881 Chairman's Announcements.

1881.1 Board Membership.

The Chairman welcomed everyone to the meeting, particularly new member Mr. Ian Mair who had been co-opted to the Board, representing Metheringham Fen and Dunston Fen.

The Chairman advised members that Mr. Neil Maplethorpe had resigned on 28th November 2014, with immediate effect, and a letter had been sent to thank him for his service to the Board. Following discussion at the Board's Executive Committee, Mr. Bob Fletcher had co-opted a new member of the Board to fill this vacancy. Mr. David Leggate had agreed to represent Blankney and Martin Fen and had hoped to attend his first meeting today, but in the event this had not proved practicable.

It was confirmed that there remains a vacant seat on the Executive Committee, following Mr. David Means standing down at the November 2014 AGM. The Chairman and Vice Chairman would discuss this and make arrangements in due course.

1881.2 Washingborough Village Hall.

The Board had been advised by the Management Committee for Washingborough Village Hall that bookings would be honoured only until 30.04.15, the future use of the hall being under discussion. That being the case, the Chairman confirmed the Board's meeting on 28th April would be in Washingborough. Alternative venues had been investigated and for the remaining 3 meetings of 2015, Branston Booths Village Hall on North Causeway at Branston Booths, LN4 1JF had been booked (16.06.15, 29.09.15 and 10.11.15).

1881.3 Plant, Vehicle & Machinery Programme.

Following delivery of the new Atlas 140W wheeled excavator on 08th October 2014, the Chairman reported that the Volvo EW140 it replaced had now been sold for £16,500 (excluding VAT).

1881.4 Replacement Roofs at Pumping Stations.

The Chairman reminded members that at the meeting on 04.11.14, the Board had ratified the Executive Committee's decision to place a contract with Wrights of Holbeach for 4 replacement roofs at 3 pumping stations. He updated members that the roof replacements at Nocton Fen, Heighington Fen and Timberland pumping stations were completed during the week ended 16.01.15. These had proved straightforward and the final invoice was £13,250 (excluding VAT), slightly less than the original quotation.

As this was less costly than anticipated and as also the provisional forecast year end position for 31.03.15 was a small surplus, the Chairman and the Vice Chairman had authorised the Chief Executive to press on with a further two pumping station roof replacements at Digby and Billingham, based on a quotation from Wrights of £5,490 (excluding VAT) for both. The order was placed on 23.01.15, so these will be started shortly and completed in 2014/15. This would mean that, with completion of the 5 pumping station roofs, the Board will have replaced most of the coverings on the 1980s construction flat roofs.

1881.5 Transfer of 18 Bridges and Culverts to Lincolnshire County Council.

The Chairman was pleased to report that the Transfer Agreement between the Board and LCC, for the transfer of the agreed 18 bridges and culvert structures, was signed and Sealed on 19.01.15. The Board paid £350,980.93 to LCC for the transfer of liability on the structures and funds cleared on 22.01.15, when the transfer therefore completed. This matter was now concluded.

1882 Minutes of the Board meeting and AGM, Tuesday, 04.11.14.

It was proposed by Mr. Steve Cobb, seconded by Cllr. Gary Hewson and agreed unanimously to APPROVE the minutes of the 04th November 2014 meeting and AGM as an accurate record.

MATTERS ARISING:

1882.1 Vacancy on the Board (minute 1959 refers).

The Chief Executive confirmed that, with the co-option of Mr. Ian Mair to represent Metheringham Fen and Dunston Fen and Mr. David Leggate, to represent Blankney and Martin Fen, all 28 seats on the Board were now filled. The 7 members nominated by City of Lincoln and North Kesteven District Councils would potentially be considered in May, when representation on outside bodies is traditionally reviewed by Councils. The 21 directly elected members would be subject to the 2015 election process.

1882.2 IDB Return 2013/14 (minute 1965.4 refers).

Following the 'Notice of Closure' of the IDB Return, received from Grant Thornton on 18.08.14 and subsequently published, ADA nationally had been asked to report to Defra on the 19 IDBs (of a total of 114) where there had been qualifications. Pleasingly, no Lincolnshire IDBs had received qualifications.

1882.3 Nocton and Potterhanworth Fens Catchment Study (minute 1966.2 refers).

The work to develop a catchment hydraulic model for Nocton and Potterhanworth Fens was progressing with JBA, albeit there had been 2-3 weeks delay due to some technical difficulties in the use of GPS equipment.

The total cost of £16,739.99 (excluding VAT) was to be shared equally between the Board and Beeswax Farming (Rainbow) Ltd. Members noted that although the study had not been included in the approved 2014/15 budget, the £8.4k cost to the Board had been factored into the Board's forecast 31.03.15 outturn position.

1882.4 PSCA Works 2014/15 (minute 1967 refers).

Although this issue was covered in more detail elsewhere on the agenda, it was confirmed that works completed on Ruskington Catchwater Drain under the Public Sector Co-operation Agreement, were not the scheme discussed at the Board on 04.11.14 (and declined).

1882.5 Twenty Foot Drain at Chapel Hill (minute 1976 refers).

Following the Engineer's Briefing Note to the 04.11.14 meeting, it was confirmed that Western Power had now provided a quotation for generator hire at £8,939.38 (excluding VAT) for line isolation and two generators for 5 days.

There was approval to utilise £40k from reserves in 2014/15 for the extensive bank reinstatement scheme. To date, £17.4k had been spent on the reinstatement of the field side bank, but it was acknowledged that the track side bank reinstatement would be more complex and expensive.

Members noted the matters arising.

1883 Minutes of the Executive Committee, Tuesday, 27.01.15.

The minutes of the Executive Committee meeting held on Tuesday, 27th January 2015 were proposed, seconded and APPROVED as an accurate record and recommendations from the Committee were noted.

MATTERS ARISING:

1883.1 Twenty Foot Drain (minute 6.7 refers).

Members noted the discussion held at the Executive Committee about the high cost of line isolation and hire of two generators at £8,939.38 (excluding VAT) for five days.

It was AGREED that when the track side bank was reinstated it should be done with all the Board's workforce to minimise the hire period, and that consideration would be given to drafting in some of Witham Third DIDB'S Operatives to assist. It was intended to do this scheme in May/June, prior to the weed cutting season, dry ground conditions permitting.

1883.2 Telephones (minute 8.2 refers).

It had been reported to the Executive Committee that there were some network coverage problems on the new mobile phones taken out on a 24 months contract with Challenger from November 2014. The network provider is O². The issues have been taken up with the Account Manager at Challenger and details of particular 'not spots' within all 3 Districts had been provided. The issue may be handsets, and some new handsets are to be provided for trial. Whilst the revised contract saves money, clearly it was important that network cover is no worse than that previously available, preferably better. An update on progress in resolving this matter will be provided to the next meeting.

1883.3 Five Mile Development, Washingborough (minute 8.4 refers).

Mr. Steve Cobb noted the discussion at the Executive Committee meeting on 27.01.15, which he had missed, but sought an assurance that the new site owners were indeed committed to installing an oil interceptor, and at which end of the pipeline. He also had concerns at the potential for a car park in lieu of the original lagoon, particularly in respect of the risk of contamination.

There followed discussion about the content of meetings with the new site owners on 21.11.14 and 17.12.14 and the Chief Executive and Director of Operations confirmed that the issues raised with the owners had, to date, been addressed. Most of the outstanding issues were now complete, but the agreement would not be completed and the Board would not take on the future maintenance of the system (for the commutation sum of £12,867) until satisfied with the details outlined.

1884 Minutes of the Joint Administration Committee on Monday, 08.12.14.

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

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

1884.1 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.

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.

1884.2 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 recharge posts/cost between the Boards were shown in the 2015/16 budget, but the figures were shown separately from the joint administration total. If these figures were included, the total joint budget would be £706,001 for 2015/16.
- the draft budget assumes that the (Interim) Engineer to the 3 Boards continues from 03.11.14 to 31.10.15 (with his costs apportioned UW 40%, W3rd 35% and W1st 25%), but it also assumes that this arrangement ceases from 01.11.15 when UW's substantive Engineer returns from his 12 months secondment.
- from 01.11.15 the budget assumption for the last 5 months of 2015/16 is that UW's Engineer reverts to UW as a 100% cost to that Board and that the (Interim) joint Engineer to the 3 Boards reverts to his substantive role of Engineer to W3rd and W1st (at the historical 50/50 cost sharing arrangement) until his planned retirement in early 2016.
- it was clarified that the proposed 2015/16 J.A.C. budget for joint administration, based on the revised percentage contributions, represented an increase of £4,682 for UW, an increase of £22,330 for W3rd and a saving of £15,306 for W1st.
- once all recharges between the Boards were considered on the 2015/16 draft budget (i.e. not just joint administration), the overall impact for each Board was an increase for UW of £18,781, an increase of £25,914 for W3rd and a saving of £22,394 for W1st. These figures exclude, however, the 7 months of saving in 2015/16 (from 01.04.15 to 31.10.15) on the UW Engineer post, which more than outweighs the additional £18,781 costs for UW.

1884.3 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.:

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 the 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.

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

- Witham 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 had approved the 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.

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 the Board of £12,707 per annum.

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

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.

1885 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>
<u>Upper Witham</u>	<u>Upper Witham</u>	<u>Upper Witham</u>
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
<u>Witham First</u>	<u>Witham First</u>	<u>Witham First</u>
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	
<u>Witham Third</u>	<u>Witham Third</u>	<u>Witham Third</u>
Duckpool PS	Greetwell PS	Bardney Abbey PS
Southrey PS	Short Ferry PS	Bardney Fen PS
Stixwould PS		Bardney Manor Farm PS
		Dogdyke PS
		Horncastle Ings PS
		Kirkstead PS
		Stainfield PS
		Woodhall PS

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

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

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

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

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

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

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

Members noted the position on required compliance with Eel regulations. In addition, copies of an article, about this issue, from The Sunday Times (08.02.15) were circulated.

- 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. An issue at Digby, where W1st has been involved in a variety of improvements, was discussed relating to the proposed diversion of The Hurn SW Sewer.
- Lincolnshire Common Works Programme (CWP), the group is developing local prioritisation criteria.
- feedback from Lincolnshire’s Flood Risk and Drainage Scrutiny Committee meeting held on 04.12.15, particularly in relation to the draft Flood Risk Management Plans currently out to consultation by the EA until 31.01.15.
- EA to lead on the ‘Former lines of reclamation project’.
- no feedback yet received from the EA on the ‘priorities for EA main rivers maintenance’ which was submitted in late August 2014.
- surface water/fluvial/coastal – ‘water from all sources project’ was a 3 months pilot launched in February 2014 with Mablethorpe as the coastal location and Digby as the inland location. No results seen yet, due mid-January 2015.
- Greater Lincolnshire Local Enterprise Partnership (GLLEP) is keen to make ‘water strategy’ a key plank of its work. David Hickman to chase up membership of the 2 relevant groups. £40 million growth monies 2015/16.
- restructuring of LCC – 2 Divisions within the Council but areas will remain within the 2 Divisions. A restructuring to follow in March 2015.
- ‘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.

- 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 in January reviewed processes like bank reconciliations and budget setting. His verbal feedback was that he had no material concerns. He queried the 1% pay uplift assumption in budget setting, thought 2% would be more realistic and this adjustment 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 - Boultham Catchwater Drain	8134	Order received	Complete

Members received and noted the Chief Executive's Report.

1886 Statement of Expenditure for the period 01.10.14 to 31.12.14.

The Finance and Ratings Assistant presented the Statement of Expenditure incurred for the 3 months to 31st December 2014. The total expenditure was £424,402.81, which was £373,573.42 net of £51,009.92 VAT. It was also noted that £1,785.11 of the expenditure incurred was rechargeable to other Boards.

Given the expenditure level was higher than usual for a 3 months period, the following items were highlighted:

- £41,515.50 EA Precept second payment (of two) for 2014/15 made in November.
- £69,795.00 (excluding VAT) to G & J Peck Ltd., for the Case Tractor (AE64 CKN).
- £5,800.00 (excluding VAT) to Mastenbroek Ltd., for the Atlas Excavator mowing bucket.
- £583.70 (excluding VAT) to Sills & Betteridge for Bridges & Culverts (legal fees).
- £112,875.00 (excluding VAT) to TDL Equipment Ltd, for the Atlas Excavator EW140 (FX64 DZG) delivered in October.

In response to a question, it was confirmed that the 6 payments to Worldpay Ltd related to charges for use of the recently introduced 'Card payments' facility, whereby account holders can now make payments by credit and debit cards.

Members NOTED the expenditure incurred for the 3 months to 31st December 2014.

1887 Financial Performance Report to 31.12.14 and provisional outturn for 2014/15 as at 31.03.15.

The Finance Manager presented the month 9 financial monitoring report which showed the actual income & expenditure position for 01st April to 31st December 2014 of (£193,096)

against approved Estimates for 2014/15, the projected outturn position as at 31.03.15 which has now a forecast year end small deficit variance of £3,654.

Whilst the Board is currently showing a modest forecast deficit position as at 31.03.15 of £3,654 against approved budget, additional items of expenditure above budget had been included in that forecast position.

On income to the Board, this was slightly ahead of plan by (£11k) as at 31.12.14. This included drainage rates posted of £482,211.35 (with payments of £475,946.95 having been received as at 28.01.15), Special Levy income second payments having been received in full from both City of Lincoln and North Kesteven District Councils in November and a higher level than usual of rechargeable works completed at (£17k).

On Drainage Rates, action is being taken against unpaid account holders with first reminders sent out on 10.07.14, final reminders on 04.09.14 and court liability orders granted on 01.12.14. After adjustments, £6,014.22 drainage rates income remained outstanding as at 28.01.15, which represents a 96.7% collection rate.

The report outlined how the prior year Balance Sheet adjustment of £37.7k was being treated, in line with the Board's approval on 12.08.14, and this gives a £11.7k negative variance as follows:

	£
Transfer from Balance Sheet	37,798
Virement of PWLB Budget	(24,447)
Virement of EA Precept Budget	(1,661)
Shortfall to be met from Reserves	11,690

However, it was outlined that rather than deplete reserves, as the overall financial position was forecast as broadly balanced, the £11.7k shortfall had been factored in to the revenue position 2014/15.

There were no one-off schemes in the 2014/15 budget, although £40k was carried forward from 2013/14 into reserves as agreed by the Board on 11.02.14 to cover the cost of the Chapel Hill bank reinstatement scheme. Of the £40k, £17,422 had been spent to date on the field side reinstatement, leaving £22,578 for the more complex track side bank repair.

The forecast outturn position also includes £8.5k for the Board's 50% share of the cost of the Nocton Fen & Potterhanworth Fen Catchment Study, which was not in the 2014/15 approved Estimates. The Board approved this study on 04.11.14 and the cost has been factored in.

On Drains there was a (£9k) surplus as at 31.12.14, and on Pumping Stations a (£15k) surplus. As at 31.12.14 the Board had spent £35k on electricity at pumping stations, against an approved annual budget of £70k for electricity. The forecast 31.03.15 position factored in a further £15k spend (£50k total) and it was noted that electricity costs did appear to have increased in January.

The forecast 31.03.15 broadly balanced position also accommodates the first 3 pumping station roof replacements at £13,250 (Heighington, Nocton Fen and Timberland) and a further 2 more at Digby and Billinghamay Pumping Stations, based on a quotation for the works of £5.5k. Finally, the forecast 31.03.15 outturn position also includes for expenditure of £4k to repair the Bomford Flail, as discussed by the Executive Committee on 27.01.15 (which was then the plan).

The report also summarised capital movements. This was the Atlas wheeled W140 Excavator purchase at £112,875 (excl. VAT) and the Case Puma iH tractor at £69,795 (excl. VAT), less the trade in of the McCormick tractor at £14,000 (excl. VAT), plus the purchase of

a weed basket for the excavator at £5,800 (excl. VAT). The Volvo excavator, which the Atlas replaced in October 2014, had now been sold for £16,500 (excl. VAT).

The report set out bank balances as at 28.01.15, these totalling £299,443.60 (£530.48 Santander, £294,253.68 NatWest and £4,659.44 Co-op). The balance had reduced considerably since the Board's last meeting, primarily due to the payment on 22.01.15 of £350,980.93 to LCC for the transfer of bridges and culverts liability.

Members AGREED to the closure of the Santander account. It was also NOTED that the Nationwide investment accounts were now open, but no funds had yet been transferred from the main NatWest account pending the £350k payment to LCC. Now this payment had completed, an assessment would be made as to what level of funds can be transferred to the instant access savings account.

Members received and NOTED the financial report to 31st December 2014 and the assumptions built into the forecast 31.03.15 outturn position, that being a broadly balanced/minor deficit forecast outturn but with additional expenditure included in that position.

1888 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. The Board's Executive Committee had also discussed the recommendations from the J.A.C. meeting on 27.01.15. It was noted that the Executive Committee was content to endorse the recommendation from the J.A.C. to adopt Option 7 and implement this combined with a regrading of all 4 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 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 of Option 7, including the issuing of leased commercial vans to 3 Operatives, would be cost neutral to the Board and there would then be net savings of £1.8k per annum as a pro rata share of savings on Witham House staff. As no travel time or Essential User Allowance is paid to the Board's Operatives, the J.A.C. and Executive Committee both recommended no buy out arrangements for the Operatives. Instead, both Committees recommended that the Board's Operatives be regraded from 01.04.15 to Craftsman B grade (ADA White Book), which would harmonise pay across the 3 Boards.

The cost of upgrading the 4 Operatives to Craftsman B (factoring in the pay uplift based on 2014/15 of £3.7k, £3.6k, £3.3k and £4k per annum including overtime, Employer's NI and Superannuation) is £14.5k per annum. If the Board's share of Witham House staff savings are netted off, the 4 Operatives could be upgraded at an additional cost of £12.7k per annum.

It was then highlighted how these additional costs would be met. The J.A.C. budget for 2015/16, with a revised contribution of 25% (from 30%) gave £15.3k flexibility as too did the PWLB current baseline budget (of £24,447 used in 2014/15 for the Balance Sheet adjustment approved by the Board).

The Board AGREED to implement the Motor Vehicles Policy, Option 7, as follows:

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

The Board also AGREED that the 4 Operatives be regraded to (ADA White Book) Craftsman B from 01.04.15, the additional £12.7k cost per annum having been built into budget setting for 2015/16 as discussed.

1889 Risk Register.

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

- update to the Emergency Plan.
- Nocton Fen & Potterhanworth Catchment Study, as part of ensuring appropriate standards of flood protection and drainage.
- 5 year plant programme, year 1 for 2015/16 being on the Board’s agenda.
- bridges/culverts transfer – mitigation of risk with asset transfer on 22.01.15.
- PSCA and rechargeable works.
- 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.

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

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

1890 Internal Auditor’s Interim Report on 2014/15.

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

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

His report summarised his main findings as:

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

The Internal Auditor's recommendations had been 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.

1891 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 (excl. VAT)		DISPOSALS (excl. VAT)		NET COST
2014-15 (actual)				
Tractor Case Puma	£ 69,795	Tractor (FY03 ZRJ)	£14,000	
Wheeled Excavator Atlas	£112,875	Wheeled Excavator (2006)	£16,500	
Weed Bucket	£ 5,800			
TOTAL	£188,470		£ 30,500	£157,970

It was highlighted that, subject to discussion today, there may yet be a small amount of additional income (assumed £2k) if the Board disposes of its 2009 Bomford flail.

The Chief Executive highlighted to members that, since the Executive Committee meeting on 27.01.15, the proposed 2015/16 plant programme had been revised in consultation with the Chairman and Vice Chairman on 28.01.15. The following changes had been made:

- remove the tipper trailer purchase from 2015/16 (at £10k), pushing this back to 2016/17.
- put in £60k for the purchase of a Herder flail (or similar quality one) to replace the 2009 Bomford flail. Put this on to the Case Puma tractor purchased in October 2014.
- meet the £3.5k depreciation impact of this flail purchase on revenue by reducing (for 2015/16 only) the electricity budget from £70k to £66.5k.
- delay the planned 2012 Bomford flail replacement from 2017/18 to 2018/19 and bring forward the associated tractor replacement from 2019/20 to 2018/19.

These changes would avoid the repair of the 2009 Bomford flail in 2014/15 (it once again requiring substantial repair, following substantial repairs in June 2014) and achieve both tractor/flail combinations being synchronised, hence reducing costs longer term.

Members then discussed the reliability of flails and the flail mower options, the Director of Operations tabling a paper summarised as follows:

- Option 1 – do nothing. Do not purchase a replacement flail in 2015/16 but instead repair the 2009 Bomford flail as required until replacement in 2017/18 to 2018/2019 (replacement policy is at 7 years).
- Option 2 – undertake the necessary major repairs to the 2009 Bomford flail, ahead of the 2015 summer maintenance season. These works were outlined as:

Part	Bomford/Grundy New Parts	Estimated cost of repair of existing parts
Main Hydraulic Pump	£1831	£ 500
Small Hydraulic Pump	£ 574	£ 350
Gearbox	£ 902	£ 500
Total	£3307	£1350 (minimum)

- Option 3 – dispose of the 2009 Bomford flail and purchase Witham Third’s McConnell PA77OOT 2011 flail, which that Board agreed on 27.01.15 to dispose of in 2015. It has an estimated value of £7k and would be suitable for use on the Board’s Claas Axion 810 tractor (with the purchase of a new axle fixing kit at a further £2k). This 2011 flail would then be used until 2017/18, when a new flail would be purchased as part of the plant programme.
- Option 4 – purchase of new Herder Cavalier MBK411 flail in 2015/16, at an estimated cost of £55k. Delivery time, from placing an order, is currently quoted at 8 weeks including the transporting of the Board’s 2014 Case Puma tractor to the Herder factory for fitting and commissioning of the flail. This option would require a modification to the tractor’s exhaust system, at a cost of circa £0.5k to £1k.

Members discussed the 4 options and AGREED to suspend Financial Regulations in order to proceed directly with Option 4, the purchase of a new Herder Cavalier MBK411 flail in 2015 on the grounds of product reliability, build quality, ease & comfort of operation, stability of existing tractor with the Herder flail and on the grounds of expediency, needing to have a reliable solution in place for July 2015 maintenance season. It was further AGREED that the Board’s 2009 Bomford flail would be disposed of at an estimated value of £2k.

1892 Estimates for 2015/16.

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

A list of budget assumptions was included in the report (e.g. drainage rates & Special Levy uplift of 1.75%, pay uplift of 1% and 1% pay contingency, NNDR 2% increase, insurance costs increase 5%, EA precept 0%, revised joint administration contribution of 25% (from 30%) from 01.04.15, the regrading costs of 4 Operatives to Craftsman B from 01.04.15, implementation of the revised motor vehicles allowances policy 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 (£4k increase).
- Board & General Administration (£1k increase). Minimal changes as anticipate reduced legal fees now Bridges & Culverts transfer agreement finalised.
- One-off schemes (£10k) – the £22.5k budget for phase 2 of Twenty Foot Drain bank reinstatement in 2015/16 is funded from reserves.
- Conservation (£0k) – no changes forecast.
- Depot (£0k) – minimal changes anticipated.
- Drains £21k – additional wages and plant recharges built in for cost of regrading Operatives and the depreciation impact of the plant programme.
- Pumping Stations (£2k) – minimal change, with some additional wages and plant recharges costs due to regrading costs and plant programme, but offset by a one-off reduction in the electricity budget by £3.5k to £66.5k.
- Joint Administration/Witham House (£15k) – budget rebased and saving to reflect the reduced funding contribution from 30% to 25%.
- Engineering (£7k) – saving reflects the interim arrangement of shared Engineer functions for part-year to 31.10.15.
- Consents & Enforcements (£4k) – rebased costs fully met by recharges to LCC for provision of the service.
- Pay Contingency & Contribution to Reserves £3k – provision for a pay award of up to 2%, the 2015/16 pay award yet to be confirmed (i.e. 1% in base estimates and 1% contingency). This is an additional £3.3k for the Operatives and share of the Joint Administration Pay award costs.
- PWLB £0k.
- Rechargeable Works £5k.
- EA Precept £0.k - inflationary increase of 2% assumed for 2014/15, reinstated for 2015/16 as actual precept level to be confirmed.

As the total of these variations was £0k, on the assumptions made a balanced budget could be achieved for 2015/16 with a 1.75% increase in the penny rate.

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

	Approved 2014/15 Estimate	Provisional Outturn 2014/15	Proposed Estimate 2015/16	Changes Est 14/15 to Est 15/16
	W1	W1	W1	W1
	£	£	£	£
Income	(745,401)	(756,930)	(749,409)	(4,008)
Board & General Admin	14,581	52,448	13,150	(1,431)
One-Off Schemes	-	8,500	-	-
Conservation	1,250	333	1,250	-
Depot	9,389	9,719	10,197	808
Drains	244,545	235,823	265,692	21,147
Pumping Stations	174,206	159,018	176,084	1,878
Joint Admin/Witham House	109,396	115,611	94,090	(15,306)
Consents & Enforcement	15,119	10,820	10,819	(4,300)
Engineers	59,969	63,235	52,881	(7,088)
Contrib'n to Reserves/Pay Contingency	-	-	3,300	3,300
PWLB	32,254	7,807	32,254	-

Rechargeable Works	-	14,239	5,000	5,000
EA Precept	84,692	83,031	84,692	-
(Surplus)/Deficit	-	3,654	-	-

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	2014/15 b/f £	2014/15 cf £	2015/16 c/f £
Revenue Reserve	(100,000)	(100,000)	(100,000)
Plant & Machinery	(64,659)	(8,108)	(4,729)
Pumping Stations	(75,000)	(25,000)	(60,000)
One-Off-projects	(40,000)	(22,578)	0)
Balance	(279,659)	(155,686)	(164,729)

It was explained that the plant and machinery reserve had supported a significant spend in 2014/15 and, with the purchase now of the Herder flail in 2015/16, £50k would need to be transferred from the pumping stations reserve to keep it in surplus. This would be replenished in 2015/16 (£35k) and in 2016/17 (£15k) as the reserve recoups depreciation charges with the minimal spend on plant and machinery renewal. Also, of the £40k reserve set aside for 'one-off projects' in 2014/15, it was noted that £17.5k had been utilised for the Chapel Hill Bank reinstatement scheme on the field side of Twenty Foot Drain, leaving a balance of £22.5K for completion of the track side scheme in 2015/16.

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

1893 Annual Values, Drainage Rates and Special Levies.

A report setting out the proposed Annual Values as at 31.12.14, the Drainage Rates for occupiers of land for 2015/16 and the Special Levies for City of Lincoln Council and North Kesteven District Council had been circulated with the agenda. A revised paper was tabled and circulated, which had minor changes amounting to 77 pence for City of Lincoln Council and 35 pence for North Kesteven District Council.

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

Plan	Field	Area ha	Parish	Council
TF0846	0004	1.851	Sleaford	NKDC
TF0847	3200	9.108	Sleaford	NKDC
TF0855	5500	1.036	Digby	NKDC
TF0847	4825	0.708	Sleaford	NKDC
TF1555	0077	0.243	Billinghamay	NKDC
TF1452	5400	2.307	North Kyme	NKDC
TF1451	2554	0.421	North Kyme	NKDC

This resulted in the following Annual Values as at 31st December 2014:

	Sub District 1	Sub District 2	Total
	£	£	£
Drainage Rates	361,654	2,015,369	2,377,023
City of Lincoln Council	1,418,032	0	1,418,032
North Kesteven DC	448,140	286,105	734,245
Total	2,227,826	2,301,474	4,529,300
Differential Rating	40%	-	-
Adjusted Totals	891,131	2,301,474	3,192,605

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

	Sub District 1	Sub District 2
	pence	pence
Current	8.7992	21.9979
Proposed +1.75% increase	8.9532	22.3829

This increases the income generated from Drainage Rates from £475,352 to £483,477 (+£8,125) in 2015/16.

These land transfers, revised land valuations arising and revised 'penny rate' for each Sub-district drive the new Special Levies as follows:

	City of Lincoln	North Kesteven DC	Total
	£	£	£
Current	124,775.47	102,054.96	226,830.43
Proposed	126,959.24	104,161.58	231,120.82
Difference	2,183.77	2,106.63	4,290.39
Increase	1.75%	2.06%	1.89%

On this basis, the Board APPROVED the following:

- the land transfers from drainage rates to Special Levies, between 01.01.14 and 31.12.14, as set out.
- the land valuations as at 31st December 2014 upon which Drainage Rates and Special Levies for 2015/16 are calculated at £4,529,301 (and £3,192,605 after differential rating is applied between the sub-districts).
- an uplift in the 'penny rate' of 1.75% to 8.9532 pence for sub-district 1 and 22.3829 pence for sub-district 2.
- the Special Levies for 2015/16 at £126,959.24 for City of Lincoln Council and £104,161.58 for North Kesteven District Council.
- that the Chairman and Chief Executive be authorised to sign the 'Rate Book' and apply the Board's seal.

1894 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.

1895 Drainage Rates Write-offs.

Members had received a paper detailing a request to write off arrears on outstanding Drainage Rates accounts. This was presented by the Finance & Ratings Assistant, who explained the recent work to resolve outstanding queries within the DRS Drainage Rates system on various parcels of land. Many of these parcels of land had new occupiers, who would now be liable for Drainage Rates, but the accrued arrears cannot be recovered. The Land Drainage Act 1991 permits the recovery only of rates for the current financial year plus one previous year.

The write-offs the Board was asked to approve were summarised as:

<u>Account</u>	<u>From</u>	<u>To</u>	<u>Drainage Rates</u> £	<u>Costs</u> £
79	01.06.05	31.03.12	287.94	-
386	01.04.10	31.03.13	36.54	110.00
404	01.04.12	31.03.15	-	110.00
743	Various (holding a/c)	Various (holding a/c)	2,814.01	
760	01.04.09	31.03.13	113.08	
798	01.04.12	31.03.15	17.56	
133	01.04.07	31.03.11	1,446.63	
774	01.04.10	23.07.14	365.71	
832	01.04.13	31.03.15	41.82	
Total	-	-	5,123.29	220.00

The Board APPROVED the write-off of £5,123.29 in Drainage Rates income and £220.00 in costs noting that, if further information about the previous owners/occupiers liable for these debts is forthcoming, the debt will be reinstated.

1896 Director of Operations' Report.

The Director of Operations' Report for the 3 months period 01.11.14 to 31.01.15 had been circulated with the agenda and was presented, together with a verbal update.

• Planned Maintenance Programme

The summer maintenance programme was substantially completed during this period, with only the larger drains that required the long reach tracked excavator yet to be completed. Work has been completed in Branston Fen and Digby Fen, but continues in the Heighington and Washingborough Fen catchments. Work should be completed tomorrow on Heighington Fen weedcutting.

Work on the winter de-silting programme had begun in Ruskington Fen, with work on Ruskington Middle Drain completed. Works were outlined as follows:

Watercourse	Length m	(miles)		% completed
Odds Dyke	645m	(0.4 miles)		% completed
Timberland Town Dyke	4840m	(4.0 miles)		% completed
Boathouse Drain	4400m	(2.7 miles)		% completed
Cross Drain	1210m	(0.8 miles)		% completed
Causeway Drain	730m	(0.5 miles)		% completed
East Cross Drain	580m	(0.4 miles)		% completed
Dorrington Bankside Drain	1300m	(0.8 miles)		% completed
West Cross Drain	650m	(0.4 miles)	0.4 miles	100% completed
Ruskington Middle Drain	1150m	(0.7 miles)	0.7 miles	100% completed
Ruskington Roadside North	1100m	(0.7 miles)		% completed
Dorrington Middle Drain/Elkingtons Drain	1370m	(0.9 miles)	0.3 miles	% completed
Totals	17975m	(12.3 miles)	1.4 miles	11% completed

A verbal update was provided, such that approximately 80% of Dorrington Middle Drain/Elkingtons Drain had now been completed. When work is completed shortly in Heighington Fen, the Operative would be starting in Timberland Fen.

• Pumping Stations

The roof coverings at Nocton, Heighington and Timberland Pumping Stations had been in place for over 39 years and have now been replaced at £13,250 (excl. VAT). The original 1975 asphalt covering was removed and a similar treatment used to re-cover the reinforced concrete slab roofs. An order has been placed to undertake the replacement of the coverings to Billingham and Digby Fen Pumping Stations, at £5.5k.

At Blankney Pumping Station pump no.1 repeatedly 'tripped out' over the Christmas period. The motor was removed and the pump checked along with the electrical control. No obvious fault was found. The motor and pump were re-assembled and the pump used as the 'duty' pump from 19th January, with no further faults occurring. It would appear that since it was re-commissioned in the summer it had run only 10 hours and so may have required some hours to 'bed in' following its recent periodic inspection.

A bearing has failed on pump no.1 at North Kyme Booster Station. The bearings and casing have been removed. New bearings will be fitted along with the repaired casing. Given their comparable ages, the bearings and their housing will be checked on pump no.2. This was not part of the planned pump lifts this year (at Blankney and Heighington).

- **Public Sector Co-operation Agreement**

Under this agreement the Board had undertaken work on behalf of the Environment Agency to clear vegetation from the upstream reaches of the Ruskington Catchwater Drain. The work is undertaken to the Agency's specification and cost.

The Board originally declined to undertake work on this channel due to the heavy vegetation on both banks in the downstream reach. However, the Environment Agency subsequently requested work of the Board that was easily accessible from the adjacent field. The Agency assured the Board that they will be undertaking bushing work to clear the obstructed channel in the near future.

The Board had also undertaken one other sustainable piece of rechargeable work, to clear a riparian watercourse.

- **Nocton and Potterhanworth Fens Catchment Model**

The work undertaken by JBA Consultants to create this computer based hydraulic model had continued throughout this period. In November and December the drains were surveyed to establish the current channel cross section profiles and longitudinal gradients. The work to create the computer based model began at the beginning of January and when complete the work to model the system will be undertaken during February. The model will be used to determine the profile required of the Middle Drain to meet the needs of both the Board and riparian owner.

Members received and NOTED the Director of Operations' report.

1897 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:

- **Byelaw Consent Application.**

Reference	Location	Applicant	Details	Date
FD-1685-2014-CON	Heighington Fen	LCC	Infilling of Middle Fen Lane culvert	12/01/15

- **Section 23 (Land Drainage Act) Consents.**

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

Reference	Location	Applicant	Details	Date
FD-1609-2014-CON	Off Fen Road, Washingborough	LCC	Temporary culvert	10/10/14
FD-1625-2014-CON	Keeble Drive, Washingborough		Additional manhole for clash of sewers	10/10/14

FD-1800-2105-CON	Dunston Fen	Beeswax Farming	Underdrainage outfalls	
FD-1801-2015-CON	Nocton	Beeswax Farming	Underdrainage outfalls	
FD-1803-2015-CON	Nocton Fen	Beeswax Farming	Underdrainage outfalls	
FD-1807-2015-CON	Nocton Fen	Beeswax Farming	Underdrainage outfalls	
FD-1836-2015-CON	Nocton	Beeswax Farming	Underdrainage outfalls	

- Enforcement.

Reference	Description	Comment	Recommended Action
FD-1511-2014-ENF	River Lane Anwick Sleaford	Collapsed headwall, contamination in watercourse and maintenance to watercourse required.	Following investigation and consultation EA investigating, contract placed to reconstruct headwall and maintenance has been undertaken. Work completed 7-1-2015

A greater number of consent applications and enforcement cases were detailed in the extended catchment. It was confirmed that, in respect of this work for the LLFA, an invoice for the work undertaken in 2014/15 would be submitted to LCC on 12.03.15. In addition, it was likely that LCC would ask that the Memorandum of Understanding be extended to 31.03.18 from 01.04.15 when the current annual MoU expires.

Members received and NOTED the consents and enforcements report.

1898 Planning Applications.

A report had been circulated detailing the applications considered between 10.10.14 and 22.01.15.

Members NOTED the following comments submitted to North Kesteven District Council on 6 applications:

- Land to the South of Fen Road, Washingborough Gladman Developments Ltd Residential development of up to 185 dwellings (resubmission of 14/0191/OUT)

Although the application is outside the Board's drainage district, it is close to the boundary and it was appropriate for the Board to be consulted. It is noted in the Flood Risk Assessment that because of Environment Agency concerns about capacity downstream, flows are to be limited to the 1 in 30 year greenfield value of 58litres.sec⁻¹.

- Royal Oak, Main Road, Washingborough Schofield Enterprises Ltd Conversion and extension to form three cottages and two new-build cottages

The site is only about 100 metres from the site behind 81 Main Road, Washingborough where the stormwater drainage issue was not initially addressed and remained unresolved for several years. (Applications N/71/1014/04, CAC 230 and 13/0328/FUL refer). Section 13 of the Application Form says soakaways will be used for surface water drainage. They should be designed in accordance with sections 3.26 to 3.30 of part H of the Building Regulations.

- Land off West Street, Billinghamay Lindum Group and G W Padley Holdings Ltd Outline for up to 132no. dwellings

It is not possible to open the Flood Risk Assessment. Referring to the Masterplan, the Car Dyke is maintained by the Environment Agency (not the Drainage Board). It is expected this application, or the subsequent detailed application, will be the subject of a MAG meeting.

- Phase 2, Five Mile Business Park, Washingborough Marks Specialised Transport Industrial building containing 5 no. units

The Applicant, who owns the site, is carrying out works that will allow the Board to adopt a nearby surface water attenuation lagoon and pipeline that was left incomplete by the previous site owner. The Board has no objections to raise regarding this application for planning permission.

- 11 Beck Street, Digby Mrs S Wagstaff Demolition of bungalow and erection of 6no. Dwellings

The northern boundary of this site is adjacent to the Board maintained Digby Beck North Branch (the southern boundary is the Environment Agency maintained Digby Beck). The means of surface water disposal should not allow increased run-off into these watercourses. The residents of those plots bordering the North Branch will have riparian responsibilities which should be defined and explained to them. Any work, both temporary and permanent, within 9 metres of the North Branch will be subject to the Board's prior written consent. This includes planting. Whilst the site itself is marginally outside the area flooded in the 2012 event, but not so an access to the site from either the south or north.

- Land adjacent to Bridge Farm, Bridge Street, Billinghamay Mr & Mrs N Key Dismantling of barns and erection of dwelling

The site is adjacent the Environment Agency maintained Billinghamay Skirth. Part of the development appears to lie within the 9 metres byelaw distance for which consent would be required from the Agency.

Members received and NOTED the planning report.

1899 Any Other Business.

There were no further items of business.

1900 Date, Time and Place of the Next Meeting.

The Board's next meeting was confirmed for Tuesday, 28th April 2015 at 2pm in Washingborough Village Hall.

..... Chairman..... Date
W1st BM10.02.15