

**Dan Vm Drainage  
Commissioners  
Finance Committee**

JBA Consulting  
Epsom House, Doncaster

**Meeting**

Friday 2 December 2016  
10.00am



Shire Group of IDBS  
Epsom House  
Chase Park  
Redhouse Interchange  
Doncaster  
South Yorkshire  
DN6 7FE

T: 01302 337798  
[info@shiregroup-idbs.gov.uk](mailto:info@shiregroup-idbs.gov.uk)  
[www.shiregroup-idbs.gov.uk](http://www.shiregroup-idbs.gov.uk)



Prepared by ..... Alison Briggs BSc (Hons) Env.Sci., PGCert.  
Env. Mngmnt, AIEMA.  
Senior Administrator and Environment Officer

Reviewed by ..... Craig Benson  
Finance Officer

## Purpose

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1. Apologies for Absence
2. Declaration of Interest
3. Election of Chairman
4. Minutes of meeting 7 October 2016

Present: Andrew Cooke (AC) (Chairman)  
Gillian Ivey (GI)  
Derek Bell (DB)  
Richard Thompson (RT)

Attendees JBA: Craig Benson (CB)  
Alison Briggs (AB)

**2016.16** Apologies

Received from Andrew Parmenter, Richard Ward, Mike Jordan and Tony Sockett as Observer. Noted Andrew Parmenter has since resigned from the Board. Dave Hill had resigned from the Board

**2016.17** Declaration of Interest – None given.

**2016.18** Minutes of meeting 27<sup>th</sup> May 2016.

Proposed approved GI, seconded AC, all in Agreement

**2016.19** Matters arising:

Noted no motion had been tabled at the Board Meeting regarding modelling. **GI proposed Board officers should remind members [even where Officers have declared an interest], where a recommendation should be discussed and resolved by the Board. Seconded DB, all in agreement.**

**2016.20** External Audit

Discussed treatment of Fixed Assets. At the request of the external auditor, items will be put in the audit declaration at cost for all subsequent years even though that is not the true value of the asset.

**2016.21** VAT

HMRC has confirmed board operates legally. Internal Auditor has confirmed Board operates legally. Issue raised by complainant through External Auditor, waiting for them to answer complainant following which they will respond to audit.

**2016.22** Internal Audit Report

Comments made on a number of subject headings, Board operating correctly.

GI – queried auditors request to the Board to have a Reserves Policy which it already has. CB confirmed auditor oversight, will be amended prior to Board meeting.

Internal Audit comments on VAT and PSCA work. CB advised under likely PSCA work Board will be asked to undertake, that work may exceed £83,000.00 threshold; Board will need to register. **Proposed: DB proposed Board become VAT registered in anticipation of**

**undertaking an amount of PSCA work in excess of the VAT threshold. Seconded GI, all in agreement**

**2016.23** Internal Review meeting

28<sup>th</sup> November 2016. VAT issue will be on agenda as PSCA affects all Boards.

**2016.24** Budget

81% of landowner ratepayers have settled rates, some pay by instalments. Special Levy second instalment expected November. Discussed commuted sum investment on rolling basis. Discussed Board borrowing from itself, noting risks associated with an unexpected requirement to use a commuted sum in connection with its particular asset. Sale of cottage monies used for capital investment only. **GI proposed: Board considers on an individual project basis borrowing monies from itself to save money. RT seconded, all in agreement.** Noted budget where expected to be

**2016.25** Five-year budget estimate:

**AC proposed: Agreed to include a note within full board meeting papers regarding the 100% recovered assets detailed in budget. GI seconded, all agreed.** Discussed loan and contribution toward Coal Authority work. That work had been delayed, if draw down now, the loan would be for half year only.

Members considered the predicted rate in 2021/22 noting capital programme influenced and rate necessary to cover new loans to pay for capital replacement. Advised 10-year budget rate doubling from current one. CB confirmed brought to attention of Members at board meeting. DB appointed to discuss with Dave Hill and Richard Ward funding of assets in the future. Hoped modelling would identify savings but if Board continues its work at present, budget indicated a 19p rate in 10 years. Considered impact on 6 local authorities raising Special Levy. DB – need communication exercise that includes benefits but advise will require an increase and detailing why then identifying what the increase would look like. AC advised the importance of special levy payers receiving that communication message. GI – Finance must also look at what it can do differently for which hydraulic model will influence. AC noted this work would also be influenced by WLM Committee. CB noted as Local Authorities were able to retain business rates, the importance of the Board being able to explain the benefit of what it does allowing business development to expand into drained areas. **AC proposed: Communication is made between Board and its ratepayers and special levy payers as to what Board is trying to achieve 5-10 year plan. DB seconded noted the importance of evidencing benefits being derived from Board work. Members agreed to include as an Agenda item to review this before the rate demands issued next May. All in agreement**

**2016.26** New Work & Plant

CB advised Board worked on 10-year capital replacement. Noted cottage sale monies could contribute to pump station works. GI would like to see it as a loan meaning it would be subsequently replaced. GI advised preference for fixed transfer into NW&P, not changing figure. Advised fixed amount would result in capital replacement deficit of £200,000 by 2021. Board had previously resolved not to use a fixed figure annually.

**2016.27** Planned expenditure meeting:

Meeting between DB, RW and DH. It was noted imperative modelling informs on future pumping requirements. Need to include all assets including pipelines, remote weed screens, culverts in forward plans. Group reviewed all actions including grants borrowing options, partnership working. Board task was to reduce expenditure wherever possible and take into account requirements of partners and their asset replacement programmes. Vital to undertake condition assessments before undertaking works, this links with WLM asset management and the importance of intervention at the correct time. AB advised that compliance with Eels Regulation needed to be consideration. DB agreed Members had identified a risk that is not financially factored into the budget. Impact could be large or small and needs to be catered for. Figures currently are correct but there is a need to acknowledge no accommodation been made in those

figures to comply with Eels Regulations. Condition assessments will better inform what expenditure required. It was requested that a note be added to the bottom of the planned capital expenditure figures and graphs indicating no allowances had been made for Eel Regulation compliance adaptations which may be in the region of £80-150,000 per station

#### **2016.28** Coal Authority pump station schemes

**Fishlake** - Second station complete this financial year. Board is financing through monies already received from Coal Authority.

**Great Heck** - CA wishes to complete work within next financial year. CA would like the Board to reconsider work for third parties and undertake works with recharge back to CA. LDA 1991 s64, provides for Board passing powers of entry but permitted development rights cannot. Members discussed all associated financial risks including project over run, additional administration and possible CA funding cuts from Defra/DECC. **DB proposed CB confirm to CA if Board to agree it required Coal Authority fund 100% of all costs, including additional administration, it indemnifies the Board against all risks and requires all funding in advance. If CA can do that, it will be put to the Board but not otherwise. GI seconded, all in Agreement.** Noted this information must be available from the CA 14 days before next Board meeting to go in the papers for discussion otherwise it would not be.

**RT proposed the Board does not enter into any new commuted sum for pumping stations. GI seconded, all in agreement.**

#### **2016.29** Third party agreements to contribute to pump stations

Yorkshire Water will not contribute toward capital replacement, old agreements badly worded and interpreted to mean contribution to maintenance. All bodies are endeavouring to produce new agreements fit for purpose.

#### **2016.30** PSCA

CB advised for this and particularly any asset transfer/de-maining funds would be made available for only a short period. AC advised Board should take funds whilst available

#### **2016.31** Modelling

Members noted Coal Authority comments regarding possible contribution to costs.

**GI proposed: Board funds the remaining balance so that 100% of the model can be completed immediately and not wait for possible contributions from Coal Authority. DB seconded, all in agreement.**

#### **2016.32** Options testing

Noted local levy application made for 100% funding. Will be put to main RFCC Board on 20<sup>th</sup> October.

**2016.33** New Website is under construction, and not yet viewed by board members – GI requested search for Danvm Drainage Commissions result would go straight to Board pages, not Shire Group of IDBs. DB requested data cleansing exercise on website relating to length of service.

#### **2016.34** BAP – Bramwith Rands

Noted monies to be used for Eels Regs compliance in connection with solutions to issue of culvert. Model would inform. Culvert was responsibility of riparian owner

#### **2016.35** Workforce

Members noted large cost of plant and machinery asset replacement over 10 years and cost of workforce. RT advised whilst substantial cost, having own workforce works well particularly in times of inundation, the true value of a workforce is seen. DB suggested it would be counter intuitive to pursue PSCA work unless the Board has its own staff. GI advised own workforce had



saved Board money by incorporating previously contracted work. All agreed value of employing own workforce.

**2016.36** GI proposed, DB seconded closed session. All in agreement

**2016.37** Humber FRM Strategy

Noted the inclusion of an area that will affect this Board. CEO advised information would be provided at the full Board

**2016.38** List of payments

Noted Towns Clough PS electricity consumption high. RT proposed approval of payments, DB seconded, all in agreement

**2016.39** AOB – none

**2016.40** Next meeting 2<sup>nd</sup> December 2016 – RT sent apologies

## 4.1 Matters arising