

Ancholme Internal Drainage Board

Godfrey's Offices
Elsham Top
Brigg
DN20 0NU



Meeting Papers

*Wednesday 27 January 2016
2:00pm*


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Meeting Papers

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Purpose

These meeting papers have been prepared solely as a record for the Internal Drainage Board. JBA Consulting accepts no responsibility or liability for any use that is made of this document other than by the Drainage Board for the purposes for which it was originally commissioned and prepared.

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Agenda

1. Governance matters
2. Clerk Report
3. Financial Report
4. Engineering Report
5. Health and Safety Report
6. Environmental Report
7. Any Other Business by Leave of the Chairman
8. Date of next meeting



1. Governance

1.1 Declaration of Interest

Board Members are advised to declare a pecuniary or non-pecuniary interest on any item in the Agenda.

1.2 Apologies for Absence

1.3 Minutes of the meeting held on 4 November 2015

Present	Mr I Anyon	IA
	Mr R Borrill (Chairman)	RB
	Mr S Brown	SB
	Mr S Buckley	SB1
	Mr C Day	CD
	Mr I Dowson	ID
	Mr R Herring	RH
	Mr J Jackson	JFJ
	Mrs J Jackson	JAJ
	Mr J James	JJ
	Mr I Glover	IG
	Mrs H Mumby-Croft	HM-C
	Mrs H Rowson	HR
	Mr R Ogg	RO
	Mr J Summers	JS
	Mr C Sherwood	CS
	Mr N Sherwood	NS

In attendance on behalf of JBA Consulting, Clerk, Engineer, Finance Officer and Rating Officer:

Mr I Benn	Clerk
Mr C Benson	FO
Mrs A Briggs	EO
Mr P Jones	Eng

Appointment of Chairman and Vice Chairman

2015.69 RH proposed RB as Chairman, outlining his attributes. JFJ acknowledged Board sadness at RH retirement from position of Chairman after 27 years but seconded RB as Chairman. No other nominations. All in favour. JS applauded RH's commitment to Board. RB thanked RH efforts in upgrading pump stations, telemetry lease and his style of Chairmanship. Clerk confirmed support and foresight of outgoing Chairman. RB noted the importance for all Members to act for good of Board, not individual member interests.

2015.70 RH proposed AG as Vice Chairman, seconded JFJ. No other nominations. All in support of AG

Declaration of Interest

2015.71 NS declared as Chair of Planning for North Lincs Council in items 4.3 on Agenda

Apologies for Absence

2015.72 Apologies for absence were received from Alex Godfrey, William Strawson, Hugh Williams, James Barton, Peter Richardson

Chairman's Announcement

2015.73 None required

Minutes of the Last Meeting

2015.74 Minutes of the meeting held 20 May 2015 within the meeting papers were considered by the Board. Members noted the issue of members with identical initial required better definition. Proposed they be signed as a true record of the last meeting. Seconded, all in agreement

Matters Arising

2015.75 2015.57 - Insurance increased in accordance with discussions last meeting. Pollution Incident Cover: the Board has clean up cover in existing policies relating to pollution issuing from Board own sites however that does not include third party damage. Members noted the information.

2015.76 2015.63 Board advised AG had written to ADA regarding Eels Regulations, it had been confirmed Ian Moodie was not aware of some issues AG raised. Board EO advised she sat on Eel Liaison Group comprising EA and 2 IDB representatives. **ACTION: AG to raise queries through Environment Officer in connection with Eels Regulation implementation.**

Matters arising not elsewhere on Agenda

2015.77 Ratification of previous Chairman and Vice Chairman's decision to approve Employee helicopter survey. Full member support was received

Complaints/FOI requests

2015.78 None.

Clerk Report

2015.79 Local Government Devolution Bill – JS advised Members. Greater Lincolnshire (10 councils) are applying for devolved powers. Bid has been submitted to Government. Aim is to create accelerated growth across greater Lincolnshire. Water includes water management, JS is acting as lead role for Lincolnshire. Process expected to take 2 years to understand what is required to pull responsibility from Government to local control. Acknowledged important to retain local knowledge and experience of drainage board.

2015.80 Isle of Axholme – Clerk provided updated information. The Strategy requires a passing off of EA assets, there is a number of EA pump stations affecting IDBs. This is being done in parallel with highland water carriers de-maintenance. There is little chance of funds being available with any transfer. The Board will be required to look at the opportunity, but needs to understand associated cost implications and clearly identify benefits to the Board in managing these assets. EA cannot justify expenditure for pure land drainage benefit, only flood risk management affecting people and property. Members noted the arena has become political.

2015.81 North Lincs FRM – Members were advised the main item discussed was delivery of Flood Risk Management Strategy and Strategic Environmental Assessment for the Council

2015.82 EA Efficiency Workshop – Defra being asked to find 40% efficiencies across its departments. EA require 10% savings delivered on all current projects.

2015.83 Field Operations Day – EA staff would like to do more but are constrained through lack of available funding and H&S issues

2015.84 ADA Technical & Environment Committee (T&E) – Main subject of discussion was the Water Vole Class Licence. This is now of great concern to IDBs; Counsel's Opinion obtained by some IDBs

cautioned against flail/mowing activity as it represented destruction of WV habitat, being NE's reason for working on a class licence where Boards wished to use the displacement technique. Clerk registered his opposition to class licence but the new licence was supported by ADA T&E Committee.

2015.85 ADA Lincs Branch – Members noted information contained in the papers

2015.86 Flood Expo – Clerk recommended Board signs up to the Public Sector Cooperation Agreement. Partnerships are promoted as the way in which work can be undertaken. Board requested to sign up to agreement but that is not an obligation to undertake work, each can be considered on merit and work can be undertaken by Board's contractors. Clerk advised there may not be funding available in future.

2015.87 JS queried information relating to ADA T&E report on water voles and associated cost implications to Board. He suggested IDBs need to make serious representations to Environmentalists whom he believed had gone too far. **ACTION: AG to look into pertinent legislation.**

Finance Report

The Finance Report previously circulated to Members was discussed.

2015.88 Rating report – balance outstanding was now £38,205, £37,000 of which related to a landowner paying through instalments.

2015.89 Internal Audit – The Board is testing the market for service of internal audit

2015.90 List of payments – **ACTION: Finance Officer to investigate Woldmarsh diesel card that can be used locally.** Members aware bank mandate would be amended to include new Chair and Vice Chair, JS proposed Board approval of list of payments, seconded NS, all in agreement

2015.91 Budget comparison – Finance Officer (FO) gave a brief outline to new members how board income is raised. Noted recharge works relates to Board employee who assists an adjacent Board. Recharging is undertaken at year end. CD queried the cost of telemetry. FO advised the Board had agreed a five year contract with the provider as it was a more cost effective way of managing telemetry. JS queried highland water contribution by EA. FO confirmed concessionary payment, no obligation to pay by Agency, can withdraw at any time.

2015.92 Five year budget estimate – Members noted the estimated out turn to 2021. The absence of a budget item for NE area outfalls at Winteringham and siltation issues in that area was noted. FO advised the Board could borrow money from PWLB; £300,000 would represent £18,000 pa additional expenditure in interest. JS asked if Board had a strategy on how funding will be sourced, advising it must not be left to 11th hour. Longer lead in for strategy less impact it may have on rate.

2015.93 Automatic enrolment pension regulations – FO advised the Board has obligations out of which it cannot opt. Minimum requirements 1% contribution from employer increasing over time. RH proposed 1%, NS seconded, all in agreement.

2015.94 Appointment of Pearsons & Associates as Independent Financial Authorities to set up the scheme at cost of £200 to Board. RB proposed, JS seconded, all in agreement.

2015.95 Formal approval of change in bank mandate: Formal approval new chair and vice chair to be added as signatories on mandate and retiring chairman removed. NS proposed, JS seconded, all in agreement

Engineers Report

The Engineer's Report, previously circulated to members was considered as reported with two additional updates.

2015.96 Eng. reported 3 key elements to cover in the report; Asset Management to support strategic thinking how the Board would fund assets in future, de-maining and siltation South Ferriby/Reads Island. He gave a presentation to Members based around new ISO55000. Assets defined as anything with actual or potential value, eg staff, pump stations, plant & equipment, watercourse network even though not owned by Board. Capital costs represent 15% of the life of a structure, energy 40%, and maintenance 30% of life cost. It is essential to spend money at an optimum point not just at end of useful life of asset by which time it may have cost the Board more than it should, based on record of

increasing failure. Eng. advocated the need to make better use of data held by Board to inform decision making process.

2015.97 JFJ opined any private business developed on those lines would be out of business. CD considered there should be a separation between pump station and drains not within Board ownership. JFJ suggested the Board was wasting time looking at this when it already undertakes planned preventative work on pumps and vehicle. Clerk advised there was an interdependability between assets whether owned or otherwise. Large companies recognise this process as a blue print for successful management of assets and reducing costs. Decision are made at the optimum time and are linked to the risk of asset and what may effect, some more important than others. JFJ disagreed, NS supported JFJ noting the Board was not a big company. The Eng confirmed this procedure would better inform the Boards decision making process.

2015.98 Maintenance – De-maining correspondence was contained in the papers, no response had been received from the Environment Agency. RB thanked Engineer on quality of letter, supported by JFJ. Engineer noted the letter had been circulated to councils, ADA Clerks, ADA Engineers and ADA.

2015.99 Reads Island siltation – Solutions will have to tie in with realignment of defences and road. In dry periods the Board has used hoses to move silt. A potential link has been identified between drains meaning it may be possible to use the connection to move greater volume of water assisting with removing silts. Members noted natural processes are inconveniencing Board; RH advised the river channel used to flow between the outfalls and Reads Island. RH noted diesel temporary pumps will be required for moving the silt that affect insurance policy for pollution incidents. RH proposed temporary insurance cover is required if diesel pumps are to be used. HR seconded, all in agreement. Clerk reported Associated British Ports dredge the channel daily, whatever it takes out in morning is re-deposited as river flow meets the next tide. He advised the Board needed to look for innovative solutions, noting if the banks are raised at any point it could funnel water elsewhere. Dredging is an expensive short term solution.

2015.100 Planning - information set out in the papers

Health and Safety Report

2015.101 Clerk advised his report for information only. Construction Design Management (CDM) Regulations apply to flood defence banks on main river because they are constructed as such; ordinary watercourse do not have constructed banks.

Environmental Adviser's Report

2015.102 The Environmental Adviser's report previously circulated to Member was discussed.

2015.103 EO advised the previous meeting had agreed eel habitat assessment surveys. A quotation had been received just under £5,000. RB advised the Board obtain a second quote in and decide at the next meeting how to proceed. JFJ proposed the Board did not spend any money. JS made a counter proposal to obtain a second quote and discuss at the next meeting. RH seconded, all in agreement.

2015.104 RB need as public body the Board requires an Environmental Policy and proposed the Board adopted the draft Policy, seconded RH, all in agreement

2015.105 RB proposed the Board approve the draft BAP, seconded by IA, all in agreement

Any Other Business

2015.106 T&F Group to look at succession planning. Chairman and Vice Chairman will consider

Date of Next Meeting

2015.107 27th January 2016 at 2pm, Godfreys Offices, Elsham. Meeting closed 3.50pm

1.3.1 Matters arising there from not elsewhere on Agenda

2015.90 List of Payments – Investigations have revealed any savings would amount to less than £1.00 per week and would not offset the inconvenience of being tied to specific fuel stations.



1.4 Complaints/FOI requests

None received.

1.5 Chairman's announcement

2. Clerk report

Recommendations:

- To note the information contained in this report

2.1 Legislation

Nothing to report

2.2 Isle of Axholme Strategy Implementation

Nothing to report

2.3 North Lincs. Flood Risk Management Board

Circulation of the Minutes of the December meeting are awaited

2.4 Defra

Nothing to report

2.5 Environment Agency (EA)

2.5.1 Humber Flood Risk Management Steering Group

Meeting arranged for 1 February 2016. Relevant information will be disseminated at the meeting.

2.6 Association of Drainage Authorities

Your Clerk has been appointed Special Advisor to ADA on Health, Safety and Welfare matters.

2.6.1 Technical & Environment Committee

Your Environment Officer has been appointed to the Committee. At the meeting on 12 January discussions surrounded working groups for:

- Data and evidence
- Total catchment management
- Public sector co-operation agreements
- Biodiversity 2020
- WFD opportunities
- Water transfer and abstraction
- Planning, Suds and consenting
- Asset Management

2.6.2 Policy & Finance Committee

Your Finance Officer has been appointed to the Committee. At the meeting on 12 January discussion surrounded working groups for:

- Ratings

- Audit – Transparency Code and Fund, Practitioners' Guide
- Asset transfer and Main River demaining
- ADA Business Plan 2017-2020

2.6.3 ADA Press Statements

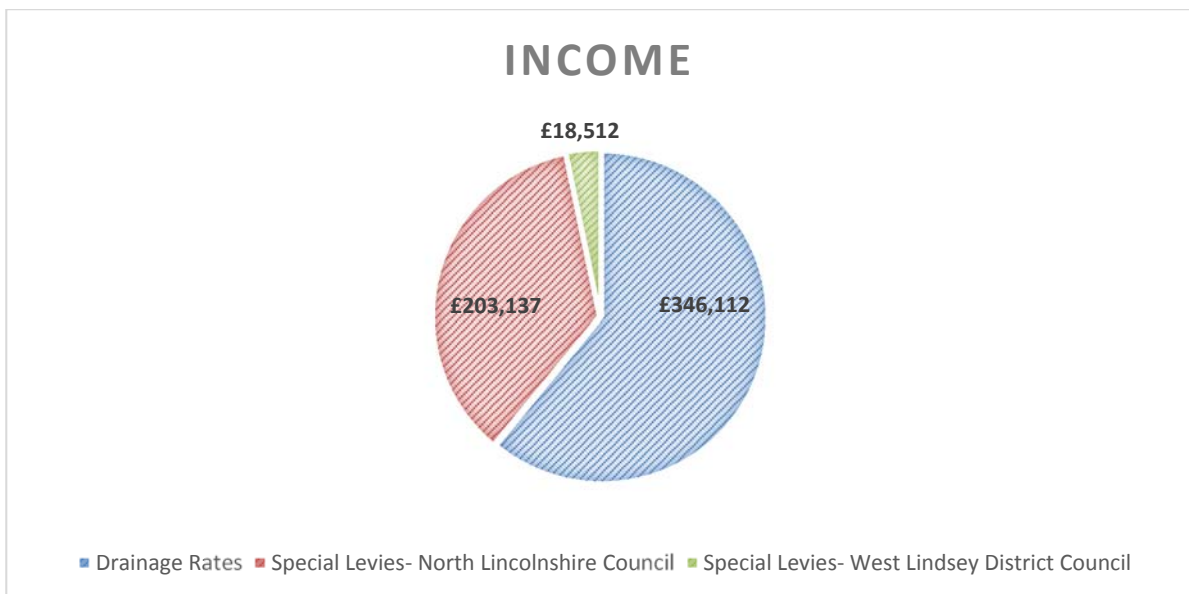
Included as attachments for information only.

2.7 Board Information

The data in this section is intended to provide background information to the constitution of the Board.

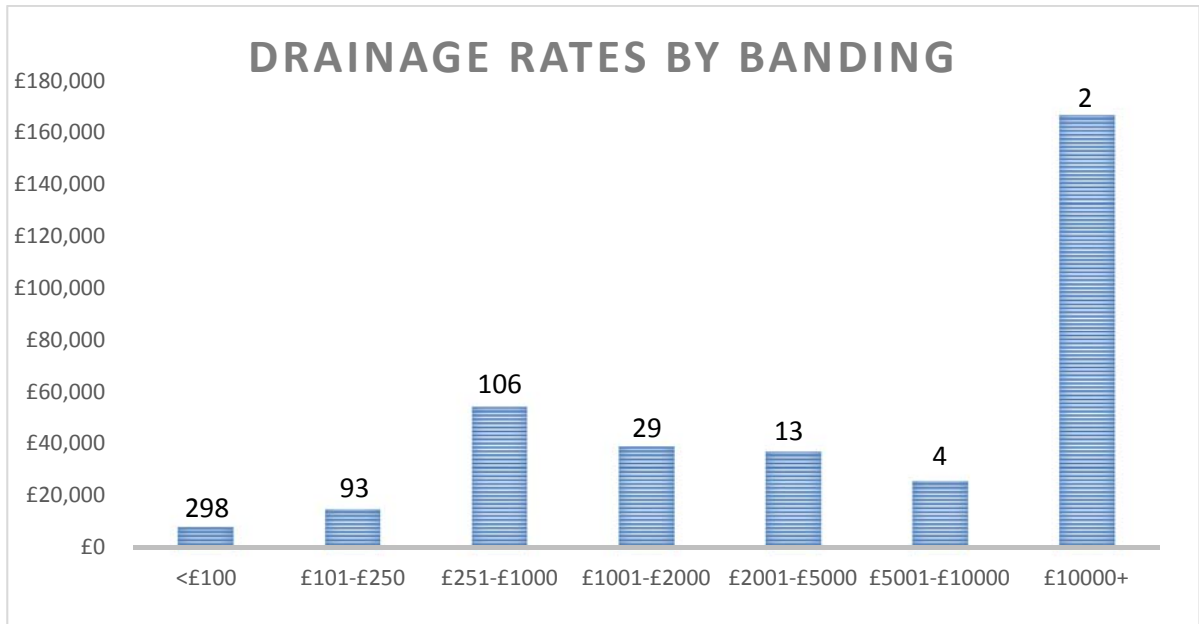
Income Split

Total income form Rates/Levies is **£576,761**, **39%** of which is made up of Special Levies. The Special Levy payment is collected by the District Council on behalf of the board. It is not the Council's money.



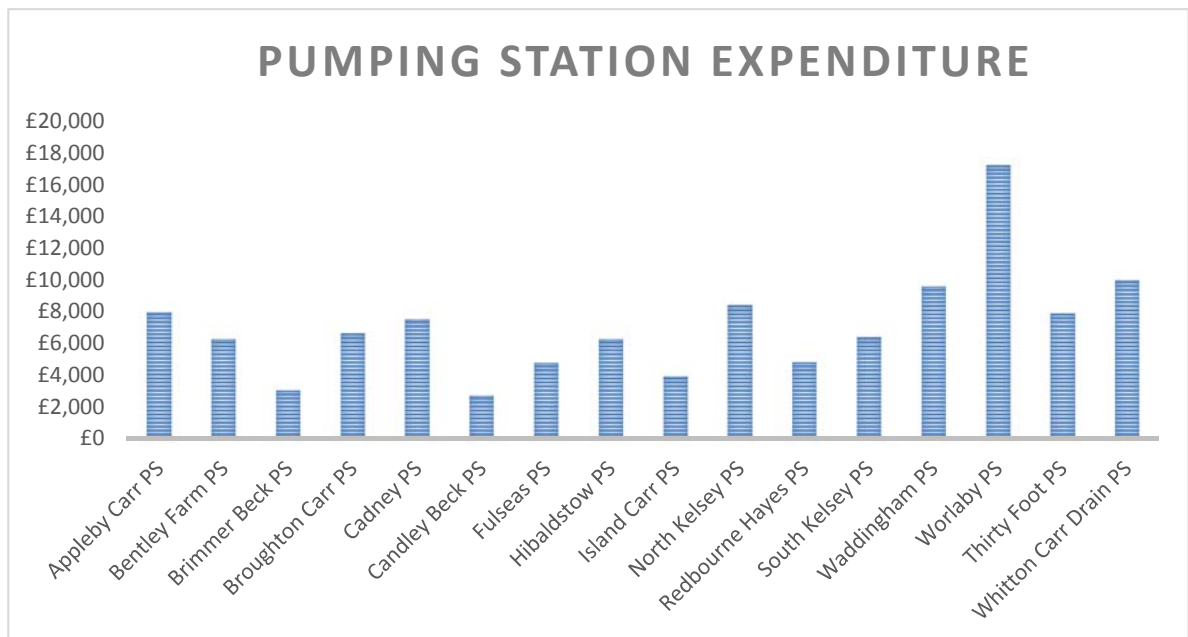
Rate Payers

A total of **£346,112** is collected from **545** Ratepayers. **2** Ratepayers contribute **48%** of all rates collected. While **391** ratepayers contribute **6%** of all rates due. The highest amount paid by an individual ratepayer is **£112,373**. The chart below sets out the banded drainage rates payable.



Pumping Station Information

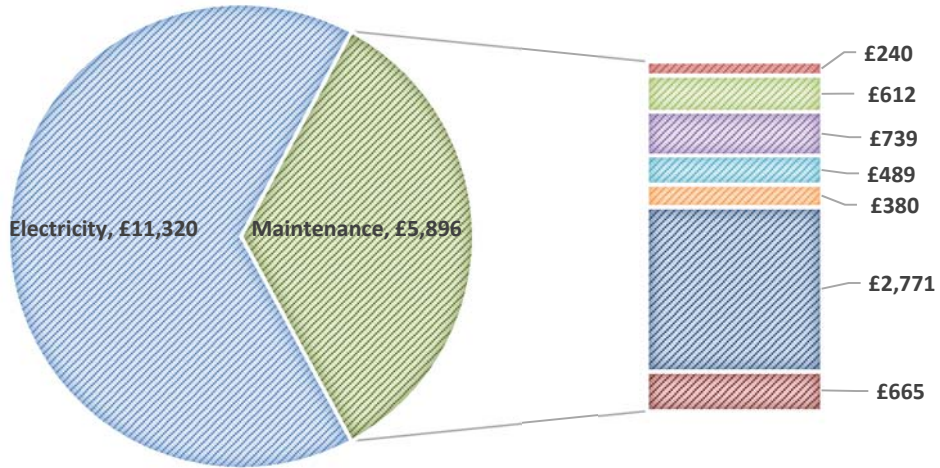
The graph below shows total expenditure for each pump station over a 5 year period. Average Pumping station expenditure over the period ranges from **£2,738** at Candley Beck PS to **£17,216** at Worlaby PS.



A breakdown of type of expenditure for Worlaby PS is provided in the chart below.



WORLABY PUMP STATION EXPENDITURE



■ Insurance ■ Pumps (mechanical) maint ■ Electrical maint ■ Weedscreen ■ Telemetry ■ General Maintenance ■ Wages

3. Financial Report

Recommendations:

- To note the information contained in this report
- To note the minutes of the Internal Audit Review Meeting
- To Approve the Risk Register
- To Approve the Budget Estimates for the Year Ending 31 March 2017

3.1 Rating Report

Details of the Rates and Special Levies issued and payments received up to and including 4th January 2016:-

	£	£
Balance Brought forward at 1 April 2015		548.59
2015/2016 Drainage Rates and Special Levies		
Drainage Rates		346,164.06
Special Levies		
North Lincolnshire Council	203,137.00	
West Lindsey District Council	<u>18,512.00</u>	<u>221,649.00</u>
Total Drainage Rates Due		<u>568,361.65</u>
Less Paid:-		
Drainage Rates		346,819.44
North Lincolnshire Council	203,137.00	
West Lindsey District Council	<u>18,512.00</u>	<u>221,649.00</u>
Total Drainage Rates Paid		<u>568,468.44</u>
Balance Outstanding as at 4th January 2016		<u>-106.79</u>

3.2 Audit

3.2.1 Internal Audit

Two companies have been approached to undertake the internal audit function for the next five years. Following receipt of their quotations, the service has been awarded to Brodericks GBC who are the Board's current internal auditor.

3.2.2 System of Internal Audit Review and Risk Register

Please find attached at Appendix A the minutes of the internal audit review meeting and the Risk Register, at Appendix B that requires formal approval by the Board.

3.2.3 External Audit

Nothing to report

3.3 List of Payments

3.3.1 List of Cheques Paid

DATE		CHEQUE NO.	REF	PAYEE	DESCRIPTION	TOTAL CHEQUE
2015						£
Dec	14th	006045	109,111-2	N E Davis Plant Hire	Mowing Contract	23,710.24
		006046	107	Hewitt (TJ) Excavators	Mowing Contract	11,049.76
		006047	106	JBA Consulting	Fee Account - BAP Implementation	411.18
Total of all Cheques						35,171.18
* Total of all cheques signed by Clerks						-

3.3.2 List of Payments Made Directly from Bank Account

DATE		VOUCHER No.	PAYEE	DESCRIPTION	TOTAL PAYMENT
2015					
Oct	8th	84	Hewitt (TJ) Excavators	Maintenance	18,901.66
		85	JBA Consulting	1/4 Salary & Expenses	11,509.21
	15th	87	Nat West Business Card	Business Card: -	*
			Brigg Office Supplies	Stationery	46.23 *
			Morrisons	Fuel	213.08 *
			Currys	USB Storage	14.99 *
			Wilko	Stationery	4.25 *
			Brian's DIY Centre	Tools & Equipment	11.98 *
			Farmstar	Tools & Equipment	4.54 *
			Crystal of Lincoln	Tools & Equipment	6.00 *
			Auto Extras Ltd	Tools & Equipment	4.25 *
			Tesco	Fuel	61.37 *
			NatWest	Card Fee	45.00 *
		-	NatWest	Bankline Fees	43.00 *
	20th	86	Woldmarsh Producers Ltd	Supply to Carr Drain PS	118.55 *
				Supply to Fulseas PS	121.94 *
				Supply to Bentley Farm PS	132.81 *
				Supply to Cadney PS	169.58 *
				Supply to Worlaby PS	357.40 *
				Supply to Waddingham PS	51.23 *
				Supply to Broughton PS	100.77 *
				Supply to Redbourne PS	94.43 *
				Supply to South Kelsey PS	50.64 *
				Supply to North Kelsey PS	38.25 *
				Supply to Appleby PS	54.39 *
				Supply to Brimmer Beck PS	170.07 *
	26th	89	BT	Foreman's Telephone Line	159.56 *
	29th	94	Danvm Drainage Commissioners	IAM Membership Renewal, etc.	152.12 *
		88	ID Spares & Services Ltd	Worlaby PS - Gantry Maintenance	931.45 *

Oct	29th	93	O2 (UK) Ltd	Mobile Telephone	103.96	*
		-	Employee	Wages	2,145.29	*
	30th	-	NatWest	Bank Charges	12.33	*
Nov	2nd	103	Crystal Ball Ltd	Vehicle Tracking	70.20	*
		14 pt	North Lincolnshire Council	Business Rates	106.00	*
	3rd	108	BT (Depot Tel)	Line to Depot	108.58	*
	5th	104	Controlstar Systems Ltd	Telemetry Maintenance Contract	10,562.10	
		91	Environment Agency	Flood Defence Levy	47,988.00	
		99	Hewitt (TJ) Excavators	Mowing Contract	16,535.11	
		96	JBA Consulting	Fee Account - Nettleton Beck Kiosk Settlement	807.16	
		97-8	N E Davis Plant Hire	Mowing Contract	31,431.57	
		92	Perry's Pumps Ltd	Carr Drain PS - Pump Maintenance	7,528.80	
	13th	95	Doncaster East IDB	Cardnet Fees	34.79	*
		102	Energas Ltd	Oxygen	62.78	*
		100-1	Towergate Insurance	Insurances	666.00	*
		-	HMRC	PAYE/NI	1,031.41	*
		-	HMRC	PAYE/NI	1,031.21	*
	16th	-	Nat West Business Card	Business Card: -		*
			First Stop Shop	PAT Testing	105.54	*
			Morrisons	Fuel	143.28	*
			Tesco	Fuel	95.94	*
			WH Smith	Stationery	30.96	*
		-	NatWest	Bankline Fees	37.40	*
	20th	105	Woldmarsh Producers Ltd	Membership Fees	101.88	*
				Supply to Carr Drain PS	124.23	*
				Supply to Fulseas PS	120.96	*
				Supply to Bentley Farm PS	127.25	*
				Supply to Worlaby PS	352.73	*
				Supply to Brimmer Beck PS	70.10	*
				Supply to Waddingham PS	115.52	*
				Supply to Nettleton Beck	33.63	*
				Supply to Depot	149.90	*
				Supply to Redbourne PS	122.32	*
				Supply to Island Carr PS	82.54	*
				Supply to Hibaldstow PS	334.43	*
				Supply to Candley Beck PS	63.15	*
				Supply to Broughton PS	134.12	*
				Supply to Cadney PS	174.06	*
				Supply to Appleby PS	61.90	*
				Supply to North Kelsey PS	45.79	*
	26th	-	Employee	Wages	2,145.49	*
	30th	-	NatWest	Bank Charges	13.74	*
Dec	1st	110	O2 (UK) Ltd	Mobile Telephone	37.52	*
		14 pt	North Lincolnshire Council	Business Rates	106.00	*
	11th	-	NatWest	Bankline Fees	39.80	*
	15th	119	Nat West Business Card	Business Card: -		*
			Morrisons	Fuel	362.28	*
			Tesco	Fuel	23.35	*
			Halfords	Vehicle Maintenance	36.95	*



			NatWest	Card Fee	50.00	*
16th	113-5, 118		Bell Waste Control	Skip Hire	1,639.83	*
18th	-		HMRC	PAYE/NI	1,031.21	*
21st	116		Woldmarsh Producers Ltd	Supply to Fulseas PS	129.36	*
				Supply to Bentley Farm PS	135.80	*
				Supply to Worlaby PS	359.63	*
				Supply to Carr Drain PS	128.03	*
				Supply to Waddingham PS	39.94	*
				Supply to Nettleton Beck	13.67	*
				Supply to South Kelsey PS	45.54	*
				Supply to North Kelsey PS	38.18	*
				Supply to Depot	88.47	*
				Supply to Appleby PS	47.32	*
				Supply to Broughton PS	84.29	*
				Supply to Cadney PS	46.29	*
				Supply to Redbourne PS	78.09	*
				Supply to Hibaldstow PS	122.01	*
22nd	-		Employee	Wages	2,145.49	*
			Total		165,409.95	
			* Total amount of direct debits, standing orders and payments approved by the Clerk only		20,146.34	

3.5 Five Year Budget Estimate

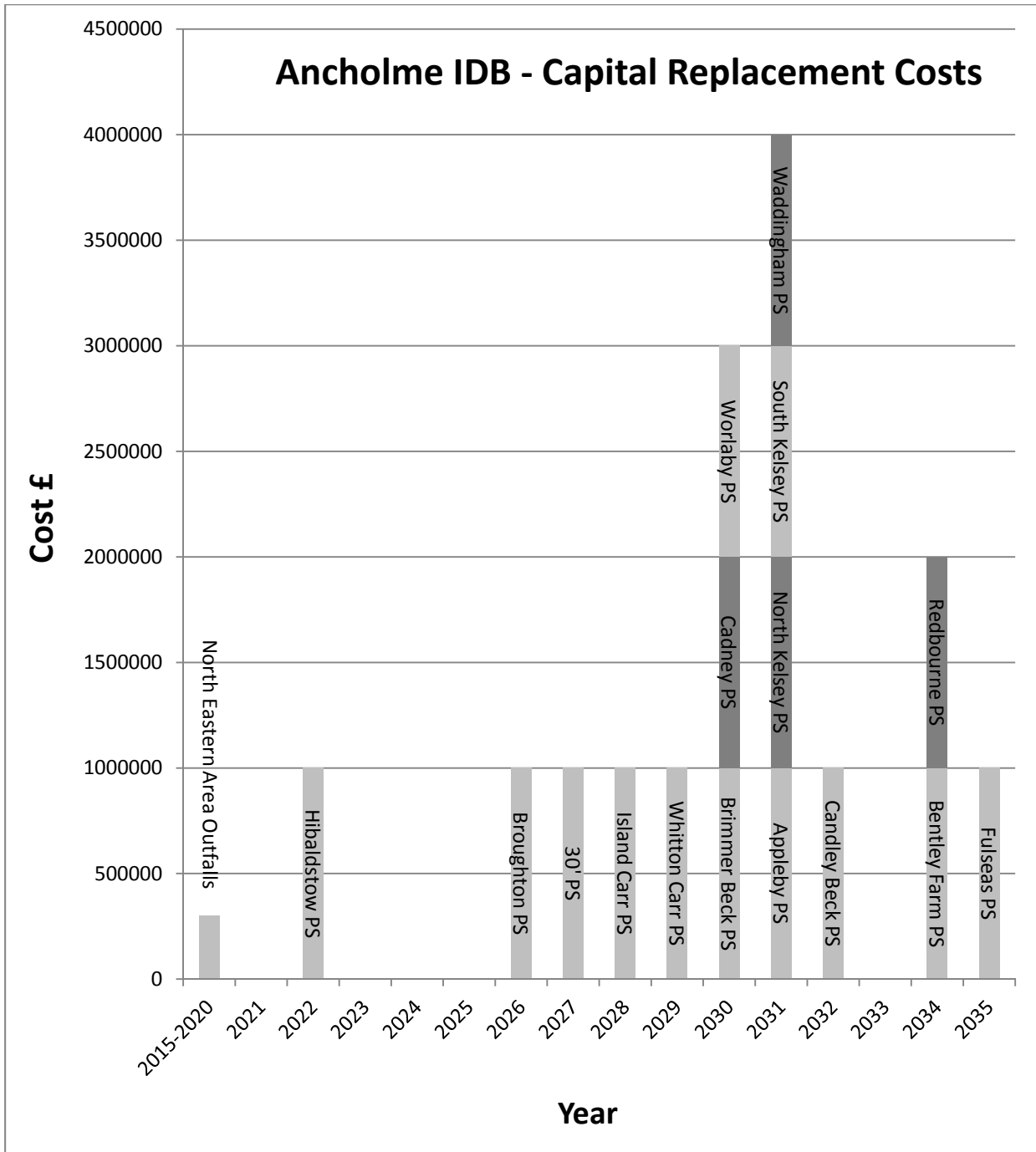
Year Ending 31 March	2016	2016	2017	2018	2019	2020	2021
INCOME	Budget	Estimated Out turn					
	£	£	£	£	£	£	£
Drainage Rates - Land (AV) : 2,815,951	346,080	346,080	346,164	360,247	360,247	374,330	388,413
Levies North Lincolnshire Council - (AV) 1,652,868	203,137	203,137	203,137	211,402	211,402	219,666	227,930
Levies West Lindsey District Council - (AV) 150,627	18,512	18,512	18,512	19,265	19,265	20,018	20,771
Interest etc.	30	20	30	50	60	70	500
Rechargeable works	18,500	18,500	18,500	18,500	18,500	18,500	18,500
Rental Income	1	1	1	1	1	1	1
Other Contributions	35,000	49,384	35,000	35,000	35,000	35,000	35,000
TOTAL INCOME	621,260	635,635	621,344	644,465	644,475	667,586	691,116
EXPENDITURE							
Flood Defence Levy	98,855	95,976	98,855	99,000	99,000	100,000	110,000
Capital (Nettleton Beck)	3,000	3,000					
Cost of Borrowing	81,746	81,746	81,746	81,746	81,746	74,792	74,792
Rechargeable Works	1,000	1,000	1,000	1,200	1,200	1,200	1,200
Depot/Office Costs	8,120	8,121	8,121	8,283	8,449	8,618	8,790
Maintenance	231,000	224,640	234,220	238,904	243,682	248,556	253,527
Administration	56,192	58,052	60,397	61,605	62,837	64,094	65,376
Pumping Stations	101,400	100,231	109,989	112,189	114,433	116,721	119,056
Telemetry contract	36,632	36,632	28,023	48,382	35,076	35,776	36,492
TOTAL EXPENDITURE	617,945	609,398	622,351	651,310	646,423	649,757	669,233
Surplus (Deficit) on Year	3,315	26,237	(1,007)	(6,844)	(1,948)	17,829	21,883
Balance Brought Forward	179,948	191,836	218,073	217,066	210,222	208,274	226,102
Balance to Carry Forward	183,263	218,073	217,066	210,222	208,274	226,102	247,985
	29.66%	35.78%	34.88%	32.28%	32.22%	34.80%	37.06%
AV £4,620,126							
(Penny Rate) £46,201							
Rate in £	12.29p	12.29p	12.29p	12.79p	12.79p	13.29p	13.79p
Inc./Dec. from Previous Year	No Change	No Change	No Change	0.5p increase	No Change	0.5p increase	0.5p increase

For Information if rate remains at current level.

Surplus (Deficit) on Year	3,315	26,237	(1,007)	(29,945)	(25,049)	(28,373)	(47,418)
Balance Brought Forward	179,948	191,836	218,073	217,066	187,121	162,072	133,700
Balance to Carry Forward	183,263	218,073	217,066	187,121	162,072	133,700	86,281
	29.66%	35.78%	34.88%	28.73%	25.07%	20.58%	12.89%
Rate in £	12.29p	12.29p	12.29p	12.29p	12.29p	12.29p	12.29p



3.6 Capital Works Program



4. Engineer's Report

Recommendations:

- To note the information contained in this report

4.1 Asset Management

4.1.1 Telemetry

Scawby Beck telemetry, Brigg Renewable Energy Plant

BWSC (*Burmeister & Wain Scandinavian Contractor; Powerplant Development, Construction and Operation providers*) have provided the Board with a Purchase Order (186) for Lease of Monitoring equipment including Maintenance, Instrument support and Operator service for a five year period from date of commissioning with the Operator service provided by the IDB.

This is in response to a condition placed within the Consent provided to Eco2 in July 2013 to ensure discharge is restricted when water levels in the Brook are at a predetermined level linked to a low bank level upstream where flooding has been experienced in the past.

The Purchase Order is for £8,820+VAT over 5 years with the first years' payment of £1,764 paid in advance to the Board. The addition of this telemetry system to the Boards Lease Agreement with Controlstar Systems Ltd. is £7,820+VAT with a further £200+VAT per year to cover Supervision of the telemetry system by the Foreman and ourselves.

We have instructed Controlstar Systems Ltd. based upon their Quote QU0724 dated 5th October 2015 for Lease Purchase of Monitoring equipment including Communication Costs, Maintenance and Instrument support for a five year period from date of commissioning, based on 20 quarterly payments.

We now await a programme of works before a pre start meeting is held with ourselves and BWSC, and will also be obtaining clarity from BWSC over the longer term arrangements after the 5 year period.

4.1.2 Water Level Management

River Ancholme gravity outfalls

Due to the resource requirements of undertaking this activity and to improve on condition reporting during the only two weeks in the year that River Ancholme water levels are reduced by the Environment Agency we have appointed an Agency Contractor, P&R Plant Hire Lincs Ltd., based upon a fixed fee of £4,025+VAT to undertake the following activities from 18th January.

- Provide flat bottomed work boat complete with outboard motor for 2 weeks
- Provide 2 fully trained and competent operatives for 2 weeks to complete work
- Strim and tidy up vegetation around each flap valve
- Desilt outfall slab on each flap valve using 2" pump and hose
- Provide grease to lubricate flap valve hinges
- Complete an asset inspection record spreadsheet for each outfall including before and after photographs
- Identification of defects; repairs/replacements

Risk Assessments and Method Statement (RAMS), and relevant training certificates have been received to allow the work to progress and the Board Foreman will assist with any access requirements as well as reviewing the outputs from the Contractor.

The Agency intend to alter levels in the River Ancholme as follows:

- **Between the 4th and 13th January** the River level would be lowered from 0.9m AOD to 0.4m AOD.
- **Between the 13th January and 31st January** the River level would be retained at 0.4m AOD and allow the IDB annual riverboat work (checking condition of gravity outfalls, clearing debris, removing silt from the outfalls) to commence.
- **Between 1st February and 13th March** the River level will be raised back up to 0.9m AOD until 12th March where it would be raised again to 1.2m AOD.

River Humber gravity outfalls

Due to recent rainfall in the catchment area the siltation affecting the gravity outfalls appears to have improved but reduced catchment rainfall and/or increases in silt deposition in the Humber is still a residual risk that is being managed and monitored.

We are working with North Lincolnshire Council highways on the required traffic management to allow a water tanker and jetting equipment to reduce siltation at the Cements Works outfall programmed for 14th January. We would like to express our appreciation to NLC for waiving the application fee and agreeing to urgent works, and also sincere thanks to Mr I Dowson for providing a water tanker and operative free of charge to assist the Board in this instance.



We are progressing a Flood Defence Consent Application to remove vegetation and bank slips from the soak drain between Composition outfall and Low Farm outfall to permit an alternative route for high flows to discharge into the Humber should siltation continue to impact on Composition Drain outfall. Due to the improvement in siltation conditions we would envisage this work to be undertaken during the next maintenance season.

4.1.3 Flood Risk Management

No issues have arisen that require the attention of the Board.

4.2 Maintenance

4.2.1 Pumping Stations

No issues have arisen that require the attention of the Board.



4.2.2 Inverted Syphons

No issues have arisen that require the attention of the Board.

4.2.3 Maintained Ordinary Watercourses

No issues have arisen that require the attention of the Board, there are no performance issues from the incumbent contractors to report, and maintenance of the 236km of Ordinary Watercourse is substantially complete for this season by TJ Hewitt and NE Davis.

4.2.4 Main River

Nothing further to report.

4.3 Planning, pre-application advice, and consents

4.3.1 Planning Applications

No planning applications have required comment on behalf of the Board between 14th October 2015 and 12th January 2016. All other applications seen are related to discharge into mains sewers and/or soakaway systems.

4.3.2 Land Drainage Act 1991 Section 23 and 66 (Byelaws) Consents

No consents have been issued on behalf of the Board between 14th October 2015 and 12th January 2016.

4.3.3 Extended District Consents

1 no. consents have been issued on behalf of Lincolnshire County Council between 14th October 2015 and 12th January 2016.

Applicant	Location	IDB	Proposal	Permanent / Temporary Works	Date received	Payment received	Approved/R efused/ other	Date issued
Chestnut Homes Ltd (David Newton)	Glebe Farm Barn, Owmbly-By- Spital	AIDB	Outfall from roof drainage and Klargestor biolisc treatment plant	Permanent	14.10.2015	Yes	Approved	11.11.2015



5. Health and Safety Report

5.1 Board Employee

5.1.1 Accidents and Incidents

Nothing to report

6. Environmental Adviser's Report

Recommendation:

- To note the information contained in this Report
- To proceed with quotation 6.1.2 for Worlabby Catchment

6.1 Legislation

6.1.1 Water Vole Class Licence

Any update from ADA T&E will be given at the meeting

6.1.2 Eels (England and Wales) Regulations 2009

EA issued a clarification statement in November 2015 relating to implementation of the Eels Regulations and its role as Regulatory Authority.

The Agency will work with operators of barriers to passage of eel through scheduled programmes of work, including routine maintenance and refurbishment programmes and planned capital investment programmes. This would make eel protection more cost-effective and achievable for operators.

Discussions at the ADA/EA Eel Liaison Group and Institute of Fisheries Management Conference has highlighted the importance of suitable eel habitat upstream of any obstruction.

The Board is recommended to accept the recent quotation for an extensive habitat survey of £4,560 with the option of a macroinvertebrate survey for an additional £1,344 in all watercourses maintained by the Board within Worlabby catchment.

6.2 Policy

6.2.1 Biodiversity Action Plan 2015-2020

Leaflet with Board papers regarding Barn Owl Action Plan was produced by ADA. This Board has this species action plan included within the BAP. Work is currently being undertaken to identify further suitable pump station sites for the erection of boxes.

Should current mild weather continue it may be possible to undertake water vole surveys outside the optimal period. Late February/March is being planned.

7. Any other business by leave of the Chairman

8. Date of next meeting



9. APPENDIX A - Minutes of the Meeting of the Audit Review Panel

**Held at JBA Consulting, Epsom House
Monday, 23 November 2015**

Present: Mr Adrian Black Scunthorpe & Gainsborough WMB

Mr David Hinchcliffe Black Drain Drainage Board
(standing in for Mr Martin Oldknow)

Mrs Veronica Chapman Doncaster East IDB

Mr Andy Cane Brodericks GBC

In Attendance on behalf of JBA Consulting:

Mr Craig Benson (Senior Financial Officer to the Shire Group of IDBs)

Mr Mark Joynes (Financial Officer to the Shire Group of IDBs)

Mr David Blake (Financial Officer to the Shire Group of IDBs)

Introductions and Apologies for Absence

Apologies for Absence were received from Christopher Day, Mr Peter Horne, Mr Steve Lomas, Mr Martin Oldknow, and Cllr. RM Sutherland.

Minutes of the Last Meeting/Matters Arising

The panel approved the minutes as a true and fair record with no matters arising.

Paperless Accounting Systems & Electronic Payment Systems

David Blake set out the work done and the position of the Shire Group officers. He explained that dealing with large volumes of paper invoices is both time-consuming and inefficient. He also set out some of the advantages of electronic filing systems, including tighter controls, better time-efficiency and a better audit trail. He advised the panel that the team had obtained quotes from various service providers and were currently preparing a business case.

David Hinchcliffe raised concerns about the use of emails to send confidential/commercially sensitive information. Craig Benson gave a brief outline of the current process, pointing out that the smaller Shire Group members still use cheques. The panel discussed whether it was worthwhile the smaller members adopting electronic payment systems. Craig Benson pointed out Lloyds bank plc are not currently charging for online banking facilities. The finance officers explained payments are made through a secure online facility, requiring passwords, pin sentries, etc. The only information sent by email are schedules of the invoices to be paid and scans of the invoices themselves, though Adrian Black pointed out that many supplier invoices contain beneficiary bank details. David Blake gave a brief description of the controls currently in place to prevent fraud and error.

Risk Register

The finance officers explained the register had been updated in November 2015 and adjustments to dates were shown as highlighted. Inserted text was shown as underlined and Craig Benson suggested new text ought to be highlighted also. The panel discussed the following items before approving the document.

Training Seminars

Adrian Black enquired whether the training seminars had proved useful. Craig Benson pointed out that DEFRA had recommended the boards carry out such training sessions and that they had indeed proved very useful. He also pointed out that the sessions were open to all members. David Hinchcliffe felt the sessions were a good idea and would like to see them rolled out to other boards including Black Drain Drainage Board. Craig Benson said the intention was to roll out the program with the



possibility of joint boards, drawing attention to the benefits of different views being heard. Veronica Chapman said the sessions were generally very good although not particularly well attended, wondering if some members felt they didn't need or want training.

Register of Members' Interests

Adrian Black enquired how often the register is updated. Craig Benson said members should advise Shire Group officers whenever there are any changes so the register may be updated. He further suggested a reminder could be included in the boards' meeting papers every year.

Internal Auditor's Report

The internal auditor reviewed the work undertaken on the 2014/15 accounts. In general, the internal auditor was satisfied with how things are running. The panel discussed the following points:

Decision Making

Once again the panel noted this issue had been raised in all eight reports, emphasising the danger of decisions being taken without appropriate input from the financiers. The auditor acknowledged it was not possible to force members to attend but expressed concern that the % split in members attending did not reflect the % split in the boards' constitutions, between elected and nominated members. Adrian Black said this was a difficult issue, and that boards could hardly throw out selected members at meetings in order to achieve a particular % split. Craig Benson said it is important to encourage members to attend. He said DEFRA are not particularly looking at this issue at the moment but it is likely to rumble on and on. David Hinchcliffe expressed concern at poor attendance and pointed out the different, important skills that elected and nominated members bring. Veronica Chapman said she had always lauded IDBs and recommended all members definitely attend, though she acknowledged that members have other meetings, engagements, etc. to consider. In summary the internal auditor remarked this was an easy matter to bring up but a difficult one to resolve.

Reserves Policy

The panel discussed the reasonableness of reserves policy. Craig Benson said they were flexible and this is an ongoing issue. Adrian Black suggested having a policy 'set in stone' is the worst thing to do. Veronica Chapman pointed out the difficulties of new bodies adopting such policies.

Unsigned Cheques

The internal auditor reported this was an issue they had closely investigated, not only authorisations on cheque payments but also online payments. David Hinchcliffe expressed concern that the bankers no longer employ stringent checks when processing cheque payments. Craig Benson said the onus was on signatories and Shire Group officers to carry out their own checks.

Future Audits

The internal auditor asked if there were any areas the panel would particularly like to be covered when planning subsequent audits. Adrian Black suggested direct debit payments could be reviewed, as the chairman doesn't generally see these items. Craig Benson said that, according to financial regulations, officers have the right to approve budgeted expenditure, but that this was contradicted elsewhere in the regulations, in that officers are restricted in the amounts they can authorise. Adrian Black pointed out the restrictions on bank mandates are also likely to prove an obstruction.

External Auditor's Report

The Annual Returns were reviewed by the panel and more specifically the External Auditors' comments. The following matters were discussed.

Treatment of Fixed Assets

The panel discussed the new practitioners' guide which sets out valuation methods for fixed assets. Members expressed concern about the creation of new revaluation reserves and the danger of this artificially increasing the boards' reserves. Andy Cane stressed new items on the balance sheet could not be regarded as 'cash'. Craig Benson reminded the panel that detailed guidelines had not yet been published. David Hinchcliffe noted that government grants were not as available as they may have been in previous times. The internal auditor advised the boards' should not adopt a policy of depreciating their fixed assets as this would only increase the danger of users misunderstanding the financial statements, and that depreciation amounted to little more than guesswork. Adrian Black recalled the time Scunthorpe IDB used depreciation and the confusion it caused. Craig Benson



recalled the Dun Drainage Commissioners' use of 'negative budgeting' in order to allow for depreciation. The panel were in agreement the boards should not depreciate their fixed assets.

Future Audits

Craig Benson advised the panel the officers will continue to work closely with the internal auditors and will continue to comply with regulations. He noted the information sent to external audits is minimal, and that the boards can incur fines for sending too much information. He wondered how an external audit can realistically carry out an audit without ever having sight of the accounts. It was assumed the external auditor places heavy reliance on the findings of the internal auditor. David Hinchcliffe noted that the nature of audit had changed much over recent years. Craig Benson informed the panel the boards will have some choice in appointing external auditors going forward, and that the Association of Drainage Authorities are currently drafting guidelines. He suggested there was no need to change auditors and recalled the time when there were five separate auditors working on Shire Group members' accounts. Adrian Black agreed more auditors could create more problems.

Any Other Business

Internal Audit Contract

Craig Benson advised the panel the contract with the current internal auditor was under review. He stressed he was very happy with the internal auditors who had submitted tenders and that a decision would be announced at the January/February 2016 board meetings.

Date of Next Meeting and Close of Meeting

The finance officers thanked members for attending and, in particular, encouraged David Hinchcliffe to attend subsequent meetings. The next meeting of the panel will be held on Monday, 28 November 2015 at 10.00am at JBA Consulting, Epsom House, Redhouse Interchange, Doncaster, DN6 7FE.

10. APPENDIX B - Risk Register

Introduction

All organisations face risks from both fraud and error. They are compelled to have in place a robust system of internal controls to prevent & detect such occurrences, thus safeguarding against these risks. The main types of risks facing the organisation are:

- Governance
- Operational
- Financial
- External
- Compliance with law and regulation

Risk Registers

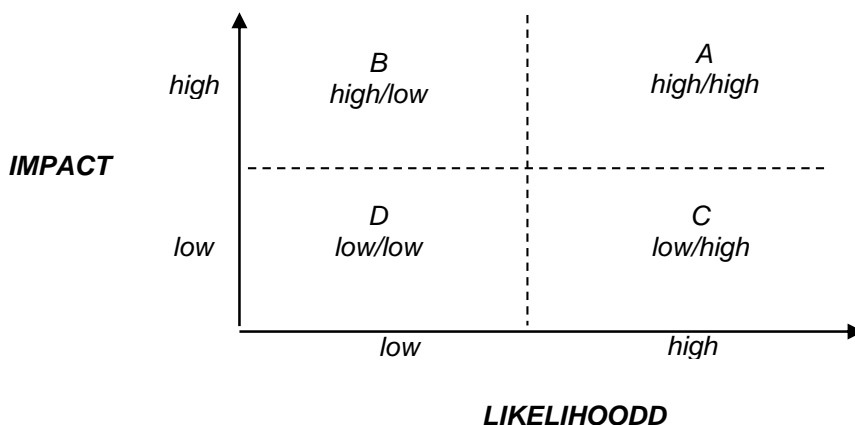
A crucial risk management tool is the Risk Register. Maintaining such a register helps an organisation operate more efficiently. It will help the organisation achieve its goals and help to ensure that undesirable events do not occur, or at least to ensure that the risk of occurrence is reduced to an acceptably low level.

The original register was drafted by the internal auditor. It is reviewed & updated by the clerks and internal auditor every year, with any changes from the previous year marked in red.

Note that the all the boards are required to approve the register individually. Any points made or queries raised by this panel will be reported to all the boards.

Risk Mapping

The areas of risk are categorised in terms of both likelihood of occurrence, and impact in the event should they occur. They are graded from A to D accordingly:



A = Immediate action

B = Consider action and have a contingency plan

C/D = Consider action or keep under periodic review

The Register

The register can be found as an attached document. It was updated in November 2015



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