



# Danvm

Drainage Commissioners

Shire Group of IDBs  
Epsom House  
Malton Way  
Adwick le Street  
Doncaster DN6 7FE

**Meeting Papers**  
*Friday 3 February 2017*  
*9.30am*




# Shire


Group of IDBs

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## Meeting Papers

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## Purpose

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# 1. Governance

**Recommendation:**

- Note information contained in this report

## 1.1 Apologies for Absence

## 1.2 Declaration of Interest

## 1.3 Public Forum

No requests have been received

## 1.4 Board Key Performance Indicators

Indicator	Achievement to date	Anticipated target February 2017
Adherence to Complaints Procedure	100%	100%
Meeting Papers issued in accordance with Standing Orders	100%	100%
Percentage of rates collected	Landowners 97.4% Special Levies 100%	Ratepayers 100% Special Levies 100%
Percentage of planned watercourse maintenance work completed	100%	100%

## 1.5 Minutes of the Meeting held 4 November 2016

Member	20.06.14	07.11.14	06.02.15	19.06.15	06.11.15	05.02.16	30.06.16	4.11.16
Catherine Anderson (DMBC)								✓
David Atkinson (Dun District)	✓	✓	✓	✓	x	✓	✓	✓
Derek Bell (Barnsley DC)	✓	✓	A	✓	x	✓	✓	✓
Andrew Cooke (Went District)	A	✓	✓	A	✓	✓	A	✓
John Duckitt (Dun District)	✓	✓	✓	✓	✓	✓	✓	✓
Martin Falkingham (Went District)	✓	✓	✓	✓	✓	✓	A	✓
Terry Grady (Doncaster MBC)	✓	✓	✓	✓	✓	✓	✓	✓
Charlie Hogarth (Doncaster MBC)	✓	A	✓	✓	x	✓	✓	✓
Gillian Ivey (Vice Chair) (Selby DC)	✓	✓	✓	✓	✓	✓	✓	✓
Mike Jordan (Selby DC)	✓	A	✓	A	✓	✓	A	✓
Steve Lomas (Dun District)	✓	✓	✓	✓	✓	✓	✓	✓
Andrew Parmenter (Selby DC)						✓	A	R
Paul Maddison (Wakefield MDC)	✓	✓	✓	✓	✓	✓	A	✓
David Platt (Knottingley to Gowdall District)	✓	✓	✓	✓	x	✓	✓	✓
Mel Holmes (Selby DC)								✓
Robert Robinson (Dun District)					Casual vacancy appointment	✓	x	A
Cllr Debbie White				A	✓	✓	A	A
Richard Ward (Doncaster MBC)	✓	✓	✓	✓	✓	✓	✓	✓
Richard Thompson (Dun District)	✓	✓	A	✓	✓	✓	✓	A
Neil Welburn (Went District)	✓	✓	✓	✓	✓	✓	x	✓
Frank Jackson (Doncaster MBC)	✓	✓	A	✓	✓	✓	✓	✓
Chris Crowe (Coal Authority) Knottingley to Gowdall District		Appointed and present ✓	✓	A	✓	A	✓	✓

**Officers attending:**

Ian Benn – CEO  
Craig Benson – FO  
Alison Briggs – EO  
Paul Jones - Eng.  
Martin Spoor – AMan.

**Public attendance – none****Governance**

**2016.84** CEO thanked former Chair Tony Sockett for work accomplished over last two years, he had been a very supportive Chairman and great asset to the Board.

**2016.85** Appointment of Chair – AC proposed G livey, seconded MF. No other nominations. GI agreed by all.

**2016.86** Appointment of Vice Chair – GI thanked members for support. Key issues greater efficiency enabled by hydraulic model and efficient ways of using Board's money. TS an excellent Chair and led Board through difficult times. Invited TS to sit at table for remainder of meeting. All in agreement. Welcomed new members CA and MH. CH nominated Frank Jackson as Vice Chair, MF nominated MJordan who declined. GI supported proposal for FJ. All in favour.

**2016.87** Appointment of Committee Members - volunteers so far Finance GI, AC, RW, CA, DB, DA, RT. Volunteers WLM TG, PM, NW, MF, SL, MJ requested one addition member for WLM as soon as possible.

**2016.88** Apologies received from DWhite, BRoughley and RRobinson, RThompson

**2016.89** Declaration of interest – Eng. Declared JBA consulting in relation to hydraulic model being producing for Board

**2016.90** Public forum – none requested

**2016.91** KPI's - noted

**2016.92** Minutes 30 June 2016 – MJ proposed sign as true record, FJ seconded, all in agreement, all in favour

**2016.93** Matters arising - MJ requested update on 2016.79. Noted to be discussed at end of meeting

**2016.94** Board logo – gone no further with Doncaster College, logo being produced by company setting up website

**2016.95** Complaints/FOI – nothing further to report

**2016.96** CEO Report – acknowledge information contained in report

**2016.97** Website – being populated and hope to be live for review within next two weeks

**2016.98** Defra – Demaining/asset transfer – CEO advised Defra implemented a timescale for looking at its Project strategies, quite different wording being used more recently. Proving implementation was problematic, EA now looking for “willing partners” suggesting if not there is no willing partner things will continue as at present. Must question what the incentive there is for asset transfer although acknowledged IDB is best party to undertake work at this level and supporting LLFA and EA. CEO Referred to EFRA Committee report to Government. ADA has issued a position statement response to the Report. MJ commented on FRCC meeting. PM noted challenge was monies available through FRCM is for capital money not revenue.

**2016.99** Humber Flood Risk Management Strategy – Humber estuary covers significant area and serious risks if EA and public funds did nothing to mitigate flood risk. The Strategy boundary is now now extended to cover this Board district. Boundary now covers the full extent of tidal influence on Don, Aire, Ouse and Trent rivers within the Humber Basin etc. Extension of district could potentially dilute available monies. Sustainable management of land to store water will be a large part of this strategy. Noted funds to assist with delivery may be available through local LEP. Greater Lincolnshire LEP placed £9,000,000 into IoA scheme. This area covered by 3 LEPs and they might be approached for WLM funding in the future. GI noted possibility of working with other IDBs affected by Strategy. CEO agreed noting this idea first promoted by EA in 2005. Suggested meeting with new Chair and Vice Chair on strategy to move Board forward and importance of joined up thinking through officers appointed to Board. RW agreed critical decisions in relation to Humber Strategy, IOA strategy, at some point needs to be a small group within the Board to concentrate on these high-level strategies.

DB – advised RFCC’s, Local Levy, LEPs have monies available for flood alleviation, defence and mitigation works Danvm DC can tap into but one of caveats is MTP rolling 6-year plan and both Committees need to consider future requirements of the Board therefore what funding opportunities will be available.

**2016.100** ADA Committees – noted. Chair of EFRA speaking at ADA conference.

**2016.101** Management Services – RW advised may have to ask JBA representatives to leave whilst an update was provided for Members. Agreed this would be at the end of the meeting

### Engineers Report

**2016.102** MJ advised draft Minutes only of last week’s meeting. Draft recommendations in particular, the Local Levy application

**2016.103** Eng. noted success of local levy application to support modelling for Board. Since last Board meeting several options had been put to EA regarding optioneering. EA keen, following last meeting for Board to put bid into local levy as it saw value of the work. Obtained 100% funding of £136,500 for all additional optioneering to the model and Board approval was required for the existing supplier to undertake the optioneering. GI offered congratulations to Eng. MJ thanked Board for supporting hydraulic modelling initially when Coal Authority funding was not in place.

**2016.104** MJ recommended Board approve existing supplier to undertake the optioneering. RW noted works additional to existing contract and given value of works wondered if could be extension of original contract to allow for this, exceeds threshold for EU procurement otherwise. Eng. confirmed Board should seek independent procurement advice to confirm noting the original contract went through open process and original tender included optioneering. EA funding for this is a variation of that first project. RW requested information to be forwarded. DB positive about wording as an extension of original contract. Any existing supplier provides for work to be done in an efficient manner. **MJ proposed subject to ratification on procurement issue, existing contractor to undertake optioneering work, DB seconded, all in favour.**

**2016.105** MJ met with Marcus Jones MP of DCLG discussing costs for consenting.

**2016.106** JD queried oversight Fieldhouse Pump Drainage scheme. Eng. Confirmed one element was being undertaken by owner/occupiers and secondly the Board was working in partnership with CA to progress pump station.

### Finance Report

**2016.107** Rating now £24,000 special levy second instalment due any day and most of landowner monies now received. Now hit KPI target.

**2016.108** Additional information in papers regarding night time pumping equates to £5,000 saving plus saving moving to Woldmarsh approximate saving £30,000.

**2016.109** MJ advised meeting with Marcus Jones MP regarding how IDBs finance. Meetings between district council leaders and Marcus Jones 2 weeks ago. Issue remains if this Board increases its rates with other bodies it could trigger referendum.

**2016.110** ACooke – Finance Committee recommendations.

- **AC Proposed Board officers remind members where resolution is required, all in agreement**
- **AC proposed Board continues 100% funds work to complete hydraulic model and not rely on any contributions from Coal Authority, seconded GI, all in agreement**
- **NW proposed Board VAT registered in anticipation of undertaking PSCA work in excess of VAT threshold, seconded MJ all in favour**
- **AC Board considers on an individual basis borrowing monies from itself to save money, NW seconded, all in favour**

**2016.111** CC declared interest and left meeting.

**2016.112** Members considered the Coal Authority request to lead on mining remediation pump station project. Discussed the current process for repayment between Board and Coal Authority. CH queries situation if CA does not pay and Board stands contractor invoice. FO agreement between Board and CA will cover this. MF noted landowner concerns first stage of Fishlake is failing already. FO advised the Coal Authority responsibility to address, not the Board. RW CA confirmed will

indemnify Board. FO envisages legal agreement being entered, not merely reliance on email correspondence. RW – reason why invoice can't be sent directly to CA. FO contract with the Board, not the CA. Eng. Supports legal basis of relationship between Board and Coal Authority under Mining Subsidence Act 1991 and damage notice served. MJ queried approval of contractors. FO confirmed Board approved contractors to be used. SL Fishlake Scheme and commuted sum. FO no commuted sum offered, Board not accepted any responsibility for maintenance to date.

- **AC proposed Board considers compliance with Coal Authority request to lead on mining remediation Pump Station project, DB seconded, all in agreement.**
- **AC proposed Board does not enter a new commuted sum agreement for pumping stations, GI seconded, all in favour.**

**2016.113** CC noted commuted sums passed from UK Coal were insufficient for operation but CA had to accept that. CEO suggested caveat for commuted sums with a timed limitation or until monies spent rather than in perpetuity. AC noted can reconsider later. JD noted increased pressure on Blackshaw Clough from subsidence mitigation works. Eng. CA funded two schemes, both discharge into Clay Dike to Blackshaw Clough but restrictor on discharge into Clay Dike. May be difference in volume but still same catchment. Will stop pumping during flood situation into Clay Dike through restrictor.

**2016.114** AC draw attention to budget estimate and capitol spend on PS, but looking at managing assets cost effectively through Asset Management Plan.

#### **Environment**

**2016.115** Eels – noted and agreed importance of model to identify what work will be required to ensure Eel Regulation compliance for the Bramwith Rands culvert.

**2016.116** Noted specific savings through work to this Board District through removing stations from regulation compliance

**2016.117** Shirley Pool – noted. EO advised recent meeting where it was identified in agreement with Natural England how works could be implemented at lesser cost than quotations received. The meeting went well and it was hoped works could be completed this winter and future monitoring reported to the Steering Group.

#### **Representation**

**2016.118** noted

#### **Date of next meeting**

**2016.119** in papers

#### **Board workforce - closed session**

**2016.120** GI proposed closed session but requested former Chair TS remained having information relevant, all in agreement. GI advised the serious of this issue.



- 2016.121** AOB – Elected member vacancies - One for Dearne & Dove district, one for Went district and one Selby DC nominated member. Important to ensure membership retained majority special levy.
- 2016.122** FO advised Board approval required to remove TS and add FJ to Bank Mandate. All in agreement. GI requested FJ and herself both go through invoices together to start with.
- 2016.123** Management Services update– Management left the meeting. RW updated Board Members on the tender process and some changes of dates.
- 2016.124** Chairman closed the meeting at 12.30pm

## **1.6 Matters arising not elsewhere on the Agenda**

### **1.7 Complaints/FOI requests**

## 2. CEO Report

### Recommendations:

- **Board acknowledges information contained in this report**

### 2.1 Legislation

Amendments made to the Land Drainage Act 1991 by the Flood & Water Management Act 2010 are now incorporated into the text of the Act and available to view at <http://www.legislation.gov.uk/ukpga/1991/59/contents>.

**Part II Provisions for Facilitating or Securing the Drainage of Land** includes a the new clause, sub-section 14A **General Powers for Flood Risk Management Works**.

Two conditions must be satisfied before an IDB can undertake Flood Risk Management Works:

1. The Board considers the work desirable having regard to the Local Flood Risk Management Strategy for its area
2. The purpose of the work is to manage a flood risk from an ordinary watercourse in its area

Flood Risk Management works mean anything done:

- to maintain existing works (including buildings and structures) including cleansing, repairing or otherwise maintaining the efficiency of an existing watercourse or drainage work;
- to operate existing works (such as sluicegates or pumps);
- to improve existing works (including buildings or structures) including anything done to deepen, widen, straighten or otherwise improve an existing watercourse, to remove or alter mill dams, weirs or other obstructions to watercourses, or to raise, widen or otherwise improve a drainage work;
- to construct or repair new works (including buildings, structures, watercourses, drainage works and machinery);
- for the purpose of maintaining or restoring natural processes;
- to monitor, investigate or survey a location or a natural process;
- to reduce or increase the level of water in a place;
- to alter or remove works.

The general powers of an IDB are contained in ss14:

- to maintain, to improve or to construct new or existing works; to deepen, widen, straighten, or otherwise improve any existing watercourse or drainage work;

Sub-section 21 details power of enforcement of obligations to repair watercourses, bridges etc, Sub-section 23 with consent requirement for obstructions in watercourses, Sub-section 25 concerns service of Notice by the Board in connection with mining subsidence

### 2.2 Defra

Nothing to report

## **2.3 Environment Agency (EA)**

Nothing to report

### **2.3.1 Humber Flood Risk Management Strategy**

Nothing to report

## **2.4 Association of Drainage Authorities (ADA)**

### **2.4.1 ADA Conference 2016 – Notes**

Henry Cator stood in for President Lord Ramsey, unable to attend. Henry suggested the industry was taken for granted, noting IDB Members take seats on these small non-departmental public bodies as volunteers with immense local knowledge of their area.

Dr Therese Coffey, Minister for the Environment, spoke at length. Government appreciates the role and function of IDBs and the importance of ADA, speaking for the collective whole. She welcomed ADA's response to the flooding report suggesting the importance of integrating water, land management, development and the environment from source to sea. In connection with de-maining and asset transfer, she advised the Agency was not attempting to palm off responsibility but looking for willing partners and how PSCA's help support this process. She is very supportive and seeks to promote natural flood management and understand what it could look like in lowland areas. She noted Defra's appreciation on the work some IDB Officers had done on land values in connection with proposed new IDBs in Cumbria. She also acknowledged the statutory duty of local authorities to raise income on behalf of IDBs for those developed areas within the IDB District and how Board function assisted delivery of environment, food and farming requirements.

Alison Baptiste spoke on behalf of the Environment Agency expending on the requirement to de-main and transfer assets, likely to be with willing partner IDBs and other Risk Management Authorities. The ideal scenario was to deliver a local solution for local people however the Agency continues to require an oversight role.

Emma Howard-Boyd, Chair of the Environment Agency spoke on the work of water level management having a positive impact on daily lives but the requirement to think long term about nature and the protection of people from flooding. It was believed delivery would be through collaboration between partners to deliver a resilient England, advising not everyone can be protected all of the time. A catchment based approach would be required to deliver this; land management practices, soft engineering approaches, new measures with utility companies to strengthen infrastructure resilience. She advised of an Agreement with Stobart trucks to move goods required by the Environment Agency in connection with flood events around the country and the Woodland Trust and Forestry Commission were to plant trees. She noted how the PSCA were delivering efficient savings of between 5-10%. Mrs Howard-Boyd also advised the Agency was keen to work with willing partners. There requires a rebalancing of both National and Local Flood Risk Management; the 25-year Environment Framework was soon to be published – how to fund the work remained an ongoing issue.

Minette Batters spoke for the National Farmers Union. She identified Brexit as the biggest challenge for the future. Trading relationships was the number one priority and access to the single market. It would be a significant change for agriculture. The budget was secure until 2020 but a new deal would have to be agreed before the end of the 2-year exit from Europe. She advised the public pay £0.23 per day toward the Commons Agricultural Policy, providing food, clean water and a clean environment and the importance of using the next two years to influence change. Under the Water Framework Directive, one indicator failure meant watercourse failure suggesting by the next River Basin Management Plan period of 2027, was time within which the directive could be scrapped. The NFU fully supported IDBs working on main river under PSCAs and commented on the role of farming in mitigation of Climate Change.

Question Time followed with questions raised by a LLFA Member on SuDS and the requirement for all drainage assets to be adopted and maintained in perpetuity where Management Companies

set up for this purpose frequently failed to deliver suggesting the FWMA Schedule 3 required enactment allowing the LLFAs to adopt systems. It was opined the Government is storing up problems because SuDS are not being developed properly and to deliver the catchment approach requires SuDS being developed.

A Member advised the CAP monies are not for farmers but subsidise consumer shopping lists.

On Grant in Aid an IDB Officer suggested whilst outcome measures were appropriate for accessing GiA, they need to be more aspirational, offering a lower level of protection in villages and reporting on the percentage of properties protected, advising property should be protected to a standard with support for offering advice on resilience to flooding.

Innes Thompson advised on the importance of soil as the most valuable farm asset and the need to protect it from erosion and maintain soil biota.

#### **2.4.2 Technical & Environment Committee**

Discussed Committee workstream reports including Water Transfer licencing, total Catchment Management, Ecological improvement and Data & Evidence.

Work streams and groups for 2017 were agreed at: continuing water transfer & abstraction, preparation of a guide to de-maining for IDBs and using the IDB1 form information to provide an "information dashboard". Board Management supplied process flowcharts Shire Group Officers produced to assist Boards within the Shire Group in connection with EA Rationalisation including PSCA, Asset Transfer and De-maining. Reports were also given on the proposed amendment to the EIA (Land Drainage Improvement Works) Regulations Consultation which was the subject of a 2016 meeting attended by the Board's Environment Officer with Defra.

#### **2.4.3 Policy & Finance Committee**

Discussed 2016 and 2017 Committee work streams including Rating & valuation lists, Governance and Audit. The National Audit Officer review of IDB Governance has been undertaken as a desk top study and it is expected the report will be released by NAO later this year.

## 3. Engineers Report

### Recommendation(s):

- To note information contained in this report
- To resolve entering a PSCA with another RMA utilising MEICA team.

### 3.1 Public Sector Co-operation Agreement (PSCA)

The Board resolved to consider work under PSCA at its meeting November 2015. A request has been received from an adjacent Board within the Shire Group of IDBs to enter a PSCA to use the Board's MEICA team. The team is requested to undertake work at three pump stations as part of the work as a Risk Management Authority under the Flood & Water Management Act 2010.

The Board is requested to consider this request. The MEICA lead operative and officers have identified extent of work required and the MEICA team has sufficient resource to facilitate this request. The recharge income to the Board for this work would be approximately £10,000.

### 3.2 Drainage District Hydraulic Model

Flood outlines for the first 12 catchments have been completed with the 13<sup>th</sup> catchment awaiting details on 3<sup>rd</sup> party pumped asset capacities before completion. The final 7 of the 20 catchments within the Drainage District are now being surveyed with expected completion by the end of May 2017.

We will demonstrate some of the flood outlines at the meeting along with a comparison against surface water flood mapping from the Environment Agency and flood outlines without pumps operating during the peak of a storm event.

### 3.3 Water Level Management Strategy

The Coal Authority has provided their feedback on the Strategy document and an overview of the Strategy will be provided at the meeting before publishing.

### 3.4 WLM Committee

The next meeting of the Committee is scheduled for 12 May 2017 @ 10am.

### 3.5 Planning, pre-application advice and consents

#### 3.5.1 Planning Applications

19 planning applications have been commented upon between 19 October 2016 and 11 January 2017.

#### 3.5.2 Land Drainage Act 1991 (as amended) Section 23 and Section 66 (Byelaw) Consents

12 consent applications have been commented upon between 22 September 2016 and 11 January 2017

## 4. Finance Report

### Recommendations:

- To note the information in the report
- To approve Chairman's decision (Item 4.1)
- To Resolve to support the Board Officers in discussions with third parties (Item 4.1)
- To Approve of the rate proposed by Finance Committee (Finance Minute 2016.50)
- Approval of Finance Committee Terms of Reference in accordance with Scheme of Delegation (Finance Minute 2016.55, Appendix B)
- To approve the Risk Register

### 4.1 Town Drain PS, Knottingley

The Board undertook works at station in November/December 2015 following the flooding incident at a cost to the Board of approximately £12,000. Investigation of the incident revealed flooding to be caused by an ingress of river water through Yorkshire Water surge chamber and into the pump sump, the flap valve being jammed open by debris comprising metal grid from the top of the Yorkshire Water chamber and flotsam/jetsam timber the source of which is unknown.

The Board believes the station to be wholly that of Yorkshire Water. It was built by Knottingley to Gowdall Board in 1980's at the request of Wakefield MDC, 87.5% funded by Yorkshire Water. Wakefield MDC was unable to make any contribution owing to cuts, the remainder funded by the Board. Yorkshire Water does not make any contribution to station costs, these have been 100% IDB funded. Yorkshire Water has been pursued to cover Board costs and an offer was made to contribute 50% in full and final settlement. Board Solicitor advised this the most cost effective outcome for the Board. On 16 Jan 2017 Chairman agreed to follow legal advice and accept the offer.

The Board is requested to support Board Officers in discussions with Yorkshire Water and Wakefield MDC on the future operation of this site.

## 4.2 Rating Report

Details of the Rates and Special Levies issued and payments received up to and including 11<sup>th</sup> January 2017: -

	£	£
<b>Balance Brought forward at 1 April 2016</b>		4,161.62
<b>2016/2017 Drainage Rates and Special Levies</b>		
<b>Drainage Rates</b>		144,098.31
<b>Special Levies</b>		
Barnsley Metropolitan Borough Council	36,278.00	
Doncaster Metropolitan Borough Council	390,062.00	
East Riding of Yorkshire Council	12,178.00	
Rotherham Metropolitan Borough Council	2,416.00	
Selby District Council	376,286.00	
Wakefield Metropolitan District Council	93,325.00	910,545.00
<b>Total Drainage Rates Due</b>		<b><u>1,058,804.93</u></b>
<b>Less Paid:-</b>		
<b>Drainage Rates</b>		144,465.36
<b>Special Levies</b>		
Barnsley Metropolitan Borough Council	36,278.00	
Doncaster Metropolitan Borough Council	390,062.00	
East Riding of Yorkshire Council	12,178.00	
Rotherham Metropolitan Borough Council	2,416.00	
Selby District Council	376,286.00	
Wakefield Metropolitan District Council	93,325.00	910,545.00
<b>Total Drainage Rates Paid</b>		<b><u>1,055,010.36</u></b>
<b>Balance Outstanding as at 11<sup>th</sup> January 2017</b>		<b><u>3,794.57</u></b>

## 4.3 Finance Committee

Minutes of the meeting of the Finance Committee, can be reviewed at Appendix A. The Terms of Reference alluded to in the minutes can be found at Appendix B.

#### 4.4 Estimates, Levies for the year ending 31 March 2018

2016/17				2017/18	
Approved Estimate	Estimated Out-Turn			Estimate	
£	£	£	£	£	£
<b>INCOME</b>					
<b>Drainage Rates on Agricultural Land:-</b>					
143,613		143,613		9.50p in £ on AV of £1,558,550	148,062
<b>Special Levies:-</b>					
<b>Doncaster MBC</b>					
390,062		390,062		9.50p in £ on AV of £4,220,801	400,976
<b>Barnsley MBC</b>					
36,278		36,278		9.50p in £ on AV of £392,198	37,259
<b>Rotherham MBC</b>					
2,416		2,416		9.50p in £ on AV of £26,116	2,481
<b>Selby DC</b>					
376,286		376,286		9.50p in £ on AV of £4,094,287	388,957
<b>East Riding of Yorkshire Council</b>					
12,178		12,178		9.50p in £ on AV of £275,470	26,170
<b>Wakefield MDC</b>					
93,325		93,325		9.50p in £ on AV of £1,008,916	95,847
8,978		8,978		Rental Income	8,978
500		500		Interest and Investment	500
46,481		50,176		Contribution to Pumping Stations	52,578
30,500		33,606		Contribution to Other Works	30,500
<u>12,200</u>	1,152,817	<u>124,038</u>	1,271,456	Other Contributions	<u>12,200</u> 1,204,508
<b>EXPENDITURE</b>					
315,676		306,482		Flood Defence Levy	315,676
190,472		154,722		Pumping Stations	172,672
385,000		473,118		Drains Maintenance	421,450
211,956		223,808		Administration Costs	243,495
20,750		14,000		Other Expenditure	22,000
11,760		0		New Loan	0
<u>11,678</u>	<u>1,147,292</u>	<u>11,678</u>	<u>1,183,808</u>	Cost of Borrowing - Loan Repayment	<u>11,678</u> <u>1,186,971</u>
	5,525		87,648	Surplus - (Deficit)	17,537
	<u>80,000</u>		<u>80,000</u>	Transfer to New Works and Plant Account	<u>150,000</u>
	(74,475)		7,648	Balance	(132,463)
	<u>536,115</u>		<u>529,446</u>	Balance Brought Forward	<u>537,094</u>
	<u><b>461,640</b></u>		<u><b>537,094</b></u>	<b>Balance Carried Forward</b>	<u><b>404,631</b></u>
<b>Penny Rate : £115,763</b>					34.09%



**New Works and Plant Account**

2016/17				2017/18	
Approved Estimate	Estimated Out-Turn			Estimate	
£	£	£	£	£	£
<b>INCOME</b>					
100,000		0		PS Replacement - Committed reserves	175,000
0		0		PWLB Loan for Plant and Vehicles	400,000
100		100		Interest	100
0		0		Sale of Excavator	30,000
10,000		0		Sale of Tractor & Flail	22,500
0		28,943		WLM Strategy	0
0		25,045		Catchment Modelling - Grant	0
0		42,000		Ings and Tethering Drain PSCA	0
<u>0</u>	<u>110,100</u>	<u>0</u>	<u>96,088</u>	Water Level Management Strategy Grant	<u>0</u> 627,600
<b>EXPENDITURE</b>					
0		0		New Excavator -	128,000
0		0		New Low Loader	20,000
21,000		0		New 4x4	21,000
108,250		0		Capital Works - Pumping Stations	175,000
0		0		New Flail Mower	40,000
0		0		New Tractor	100,000
0		16,220		Weedcutting Buckets x 3	0
0		103,654		Catchment Modelling	0
0		0		Pumping Station Asset Inspection	50,000
139,444		101,835		Loan Repayments - plant	186,087
10,000		2,000		ICT Capital Spend (Website, Equipment)	0
<u>0</u>	<u>278,694</u>	<u>42,000</u>	<u>265,709</u>	Ings and Tethering Drain PSCA	<u>0</u> <u>720,087</u>
(168,594)		(169,621)		Surplus - (Deficit)	(92,487)
<u>80,000</u>		<u>80,000</u>		Transfer from Revenue	<u>150,000</u>
(88,594)		(89,621)		Balance	57,513
<u>159,228</u>		<u>206,368</u>		Balance Brought Forward	<u>116,747</u>
<u><u>70,634</u></u>		<u><u>116,747</u></u>		<b>Balance Carried Forward</b>	<u><u>174,260</u></u>

#### 4.4.1 Five Year Budget Estimate

The five-year estimates are presented below.

Danvm Drainage Commissioners Income & Expenditure Account	2016/17		2017/18		2018/19		2019/20		2020/21		2021/22		2022/23	
	Est	Out-turn	Est	Out-turn	Est	Out-turn	Est	Out-turn	Est	Out-turn	Est	Out-turn	Est	Out-turn
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Income</b>														
Drainage Rates	143,613	148,062	163,648	179,233	187,026	194,819	210,404							
Special Levies	910,545	951,690	1,051,868	1,152,046	1,202,135	1,252,224	1,352,401							
Other Income	124,038	12,200	12,810	13,451	14,123	14,829	15,571							
Contribution to Pumping Stations	50,442	52,578	54,155	55,780	57,453	59,177	60,952							
Contribution to Other Works	33,606	30,500	21,500	21,500	21,500	21,500	21,500							
Easements/Rents	8,978	8,978	9,000	9,000	9,000	9,000	9,000							
Other Authority Assets (100% recovered)	-	-	-	-	-	-	-							
Bank Interest	500	500	525	551	579	608	638							
<b>Total Income</b>	<b>1,271,722</b>	<b>1,204,508</b>	<b>1,313,506</b>	<b>1,431,561</b>	<b>1,491,816</b>	<b>1,552,156</b>	<b>1,670,467</b>							
<b>Expenditure</b>														
Environment Agency - Flood Defence Levy	306,482	315,676	325,146	334,901	344,948	355,296	365,955							
Administration Costs	227,494	243,495	245,000	245,000	245,000	245,000	245,000							
Pumping Stations	150,572	172,672	177,852	183,188	188,683	194,344	200,174							
Other Authority Assets	-	-	-	-	-	-	-							
Drain Maintenance	473,118	421,450	434,094	447,116	460,530	474,346	488,576							
Other Expenditure (Depot Costs)	14,000	22,000	22,660	23,340	24,040	24,761	25,504							
Loan Repayments:-	11,678	11,678	11,678	5,839	-	-	-							
New Loan Repayments	-	-	-	-	52,713	117,312	194,831							
<b>Total Expenditure</b>	<b>1,183,344</b>	<b>1,186,971</b>	<b>1,216,430</b>	<b>1,239,383</b>	<b>1,315,914</b>	<b>1,411,059</b>	<b>1,520,040</b>							
Surplus/(Deficit)	88,378	17,537	97,076	192,177	175,902	141,097	150,427							
Balance Brought Forward	529,444	537,822	405,359	377,435	399,612	455,514	446,611							
Transfer to NW&P	80,000	150,000	125,000	170,000	120,000	150,000	150,000							
<b>Balance Carried Forward</b>	<b>537,822</b>	<b>405,359</b>	<b>377,435</b>	<b>399,612</b>	<b>455,514</b>	<b>446,611</b>	<b>447,038</b>							
<b>New Works and Plant Account</b>	<b>116,750</b>	<b>174,263</b>	<b>68,276</b>	<b>2,711</b>	<b>14,569</b>	<b>359,993</b>	<b>148,737</b>							
<b>Penny Rate in £</b>	9.25p	9.50p	10.50p	11.50p	12.00p	12.50	13.50							
<b>Penny Rate £115,763</b>	45.45%	34.15%	31.03%	32.24%	34.62%	31.65%	29.41%							

New Works and Plant Account	2016/17		2016/17		2017/18		2018/19		2019/20		2020/21		2021/22		2022/23	
	App	Budget	Est	Out-turn	Est	Out-turn	Est	Out-turn	Est	Out-turn	Est	Out-turn	Est	Out-turn	Est	Out-turn
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Income</b>																
PWLB Loan for Plant & Vehicles	-	-	400,000	-	-	-	-	-	-	-	-	-	650,000	-	-	-
From committed Reserves	-	-	175,000	-	-	-	-	150,000	-	-	-	-	-	-	-	-
Interest	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Sale of Plant - Excavator	-	-	30,000	-	-	-	-	-	-	-	-	-	-	-	-	30,000
Sale of Plant - 4x4	-	-	-	-	-	-	-	-	-	-	15,000	-	-	-	-	-
Sale of Plant - Tractor and Flail Mower	-	-	22,500	-	-	-	-	-	-	-	-	-	30,000	-	-	22,500
Sale of Plant - Tractor	10,000	10,000	-	-	-	-	-	-	-	-	-	-	20,000	-	-	-
Ings and Tethering Drain PSCA	-	-	42,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant Received - WLM Strategy	-	-	28,944	-	-	-	-	-	-	-	-	-	-	-	-	-
Catchment Modelling - Grant	-	-	25,045	-	-	-	-	-	-	-	-	-	-	-	-	-
PWLB Loan for PS replacement	100,000	100,000	-	-	-	-	-	-	-	-	870,000	-	1,250,000	-	-	1,500,000
<b>Total Income</b>	<b>110,100</b>	<b>110,100</b>	<b>627,600</b>	<b>96,089</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>1,035,100</b>	<b>100</b>	<b>1,950,100</b>	<b>1,552,600</b>					
<b>Expenditure</b>																
Machine Replacement - Excavator 1 (Case)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	140,000
Machine Replacement - Excavator 3 (Komatsu)	-	-	128,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Machine Replacement - Tractor 2 (New Holland T7250)	-	-	-	-	-	-	-	-	-	-	-	-	100,000	-	-	-
Machine Replacement - Bomford *m Eagle & front Topper	-	-	-	-	40,000	-	-	-	-	-	-	-	40,000	-	-	-
Machine Replacement - Tractor 3 (McCormick TX 185 2)	-	-	100,000	-	-	-	-	-	-	-	-	-	-	-	-	100,000
Machine Replacement - Herder Mid Mount Flail Cavalier MBK 180	-	-	40,000	-	-	-	-	-	40,000	-	-	-	-	-	-	40,000
Machine Replacement - Tractor 5 (New Holland T7200)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant Replacement - Low Loader 1 (Marston)	-	-	-	-	-	-	-	-	-	-	30,000	-	-	-	-	-
Plant Replacement - Low Loader 2 (Herbst Low Loader)	-	-	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle Replacement - 4x4 1 (Toyota Hilux) 5yr	21,000	21,000	21,000	-	-	-	-	-	-	-	-	-	21,000	-	-	-
Vehicle Replacement - 4x4 2 (Ford Ranger Board) 5yr	-	-	-	-	-	-	-	-	-	-	-	-	21,000	-	-	-
Vehicle Replacement - 4x4 3 (Ford Ranger supercab) 5yr	-	-	-	-	-	-	-	-	-	-	-	-	21,000	-	-	-
Plant Replacement - Weed Cutting Buckets	-	-	16,220	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles and Plant loan repayments	139,444	139,444	101,835	186,087	186,087	186,087	186,087	186,087	186,087	186,087	82,820	216,676	133,856			
Website development and IT	10,000	10,000	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Ings and Tethering Drain PSCA	-	-	42,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Catchment Modelling	-	-	103,654	-	-	-	-	-	-	-	-	-	-	-	-	-
PS Comprehensive Asset Inspection	-	-	50,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	-
PS Refurbishment	108,250	108,250	175,000	-	10,000	1,020,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,500,000	1,500,000	1,500,000	1,500,000
<b>Total Expenditure</b>	<b>278,694</b>	<b>278,694</b>	<b>265,709</b>	<b>720,087</b>	<b>231,087</b>	<b>241,087</b>	<b>241,087</b>	<b>1,137,820</b>	<b>1,754,676</b>	<b>1,913,856</b>						
Surplus/(Deficit)	(168,594)	(168,594)	(169,620)	(92,487)	(230,987)	(240,987)	(240,987)	(102,720)	195,424	(361,256)						
Balance Brought Forward	159,225	159,225	206,370	116,750	174,263	68,276	-	2,711	14,569	359,993						
Transfer from I&E	80,000	80,000	80,000	150,000	125,000	170,000	120,000	150,000	150,000	150,000						
Transfer to Committed Reserves - Lake Outfall PS com sum	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,000
Transfer To Committed Reserves - Asset Capital	-	-	-	-	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500
<b>Balance Carried Forward</b>	<b>70,631</b>	<b>70,631</b>	<b>116,750</b>	<b>174,263</b>	<b>68,276</b>	<b>2,711</b>	<b>14,569</b>	<b>359,993</b>	<b>148,737</b>							

## **4.5 Schedules of Payments**

At their meeting on 2 December 2016 the Finance Committee approved schedule of payments made since the last committee meeting. Cheques raised totalled £395.00, all of which were signed by the Clerk & Engineer. Payments made directly from the bank account totalled £217,503.91, £94,106.84 of which were direct debits and payments approved by the Clerk & Engineer only.

## **4.6 Audit**

### **4.6.1 Internal Audit Review Meeting Minutes**

The System of internal audit review meeting was held in November and the minutes of which are attached at Appendix C.

### **4.6.2 Risk Register**

The risk register document has been updated and now includes specific risks associated with this Board. Members are asked to formally approve the document. It can be viewed at Appendix D.

### **4.6.3 External Audit**

The external auditors have confirmed that their report has now been completed and will be issued to the Board in the near future. A further update will be given at the meeting.

## 5. Environment

**Recommendation:**

- To acknowledge the information contained in this report
- To approve Chairman's action (Item 5.1.1)

### 5.1 Legislation

#### 5.1.1 Eels (England and Wales) Regulations

Following a request made to the Chairman, which received consent, the Board has pledged £1,000 of its unspent BAP budget on the Research & Development Fund set up by ADA, contributing to the work being undertaken by the EA and Hull International Fisheries Institute on eel passability at pump stations. The ADA fund can be used as match funding by the Environment Agency. IDBs across the country have made similar contributions.

### 5.2 Policy

#### 5.2.1 Biodiversity Action Plan 2015-2020

Barn owls have been sighted using two of the newly erected boxes purchased this financial year as part of Board actions. Wildlife Conservation Partnership will undertake ringing of young and regular monitoring.

### 5.3 Water Level Management Plans

#### 5.3.1 Shirley Pool SSSI

Issues associated with cost of water level management control structures has been resolved, it is hoped work at the site will commence this month however this is weather dependent. This project is 100% Grant Aid funded.

## 6. Representation

The Board is represented at several fora:

<b>Environmental</b>	<b>Flood Risk Management</b>	<b>Other</b>
Humberhead Levels Steering Group	Humber Flood Risk Management Steering Group	ADA Technical & Environment Committee
Humberhead Levels Partnership Group	EA-CIRIA Partnership Funding Opportunities	ADA Policy & Finance Committee
EA/ADA Eel Liaison Group		

## 7. Date of next meeting

<b>Board</b>	<b>Finance</b>	<b>WLM</b>
3 February 2017	26 May 2017	12 May 2017
23 June 2017	6 October 2017	
3 November 2017	1 December 2017	

## 8. APPENDIX A: DRAFT Finance Committee Minutes 2.12.2016

Present: Andrew Cooke (AC) (Chairman)

Gillian Ivey (GI)

Derek Bell (DB)

Catherine Anderson (CA)

David Atkinson (DA)

Attendees JBA: Craig Benson (CB)

Ian Benn (IB)

### 2016.41 Apologies

Received from Richard Thompson and Richard Ward.

**2016.42 Declaration of Interest** – JBA staff declared an interest in item 5.6. No other declarations of interest were proffered

**2016.43 Election of Chairman** – GI proposed, DA seconded and all members approved AC to continue as Chairman of the Committee.

**2016.44 Minutes of meeting** 7 October 2016.

Proposed approved GI, seconded AC, all in Agreement

### 2016.45 Matters arising:

**2016.22 Internal Audit** - GI noted that the Board had a Reserve Policy and had requested that the internal audit report should be amended to reflect this point. She had also raised this point with the auditor at the recent joint Internal Audit Review meeting.

### 2016.46 External Audit

It was reported that the audit had not yet been finalised. GI informed members that this was discussed at the joint audit meeting, attendees were unhappy with the performance of the Auditor. The FO confirmed he had responded to all the enquiries raised by the auditor and he expected the audit to be complete before the year end.

**2016.47 Internal Audit Review Meeting** – It was noted that the meeting had taken place and discussions surrounded the Risk Register document. The FO confirmed there is provision within the register to detail specific risks for the Board. The Board can amend the Risks Board as and when required.

**ACTION:** FO to update Register with specific risks for Board consideration.

### 2016.48 VAT

It was reported that the VAT application had been made.

### 2016.49 Rating Report

It was reported that all the special levies had been received and 97.17% of drainage rates had been collected leaving a balance of £4,195.29. The FO sought approval from the committee to write off £1,415.11 of drainage rates which were uncollectable. Members approved the request.

### 2016.50 Budget

The FO reviewed the budget that was contained within the papers and that the recommendation was for a 9.75p drainage rate for the forthcoming year. There were two areas of land that would be transferred from drainage rates to special levy. The adjustments to the figures had been made and that there would be a significant increase to the levy on East Riding of Yorkshire Council. GI

enquired the threshold at which ERYC could be offered a seat on the Board. It was confirmed approximately 4% of the special levy income would be required.

Members agreed that the special levy paying councils should be made aware of the Board's future budgeting estimates to assist with their financial requirements. The FO confirmed all charging authorities were advised annually of the likely rate before the rate was set by the Board. The Chairman suggested the FO should produce a document and forward to CA and DB for their comments prior to issue.

**ACTION** – FO to produce a five-year estimate for each council and liaise with CA and DB.

The FO confirmed that the estimates used for Administration included a provision for management services, the level of which had been taken from the recent Provision of Management Services Tender Document and supporting information. Members indicated the figures advised were for a 5-year contract and requested the FO amend the budget figure accordingly.

Members reviewed the five-year planned capital and plant expenditure and recommended the FO use Board reserves to fund some of the planned purchases thereby saving on interest charges on the forecast loan repayments. It was also agreed by members that at the time of required vehicle and plant replacement, all options would be considered including hire purchase, contract hire and borrowing funds from PWLB. GI noted that the income shown for the sale of plant in the previous year's budget was overestimated. DA advised Members that monies received for the sale of plant is heavily dependent upon the value of the pound as most second hand agricultural machinery is sold in Europe, confirming prices can fluctuate regularly.

**ACTION** – FO to review the estimates considering use the Board's reserves to fund short term capital and plant expenditure. The FO to check the legalities of using the Board's committed reserves and what if any interest payments would need to be made.

**Recommendation to the Board** – Members agreed to the proposed 9.75p rate.

Members noted that this could be reduced depending upon the result of the Management Services Tender.

#### **2016.51 Five-year budget estimate:**

Members noted the five-year forecast, the capital expenditure shown was for pumping station rebuild. FO advised comprehensive asset inspections would reveal the extent of works required at pumping stations, possibly leading to savings on the figures shown.

#### **2016.52 Coal Authority pump station schemes**

Fishlake – It was reported expected completion of the Stoney Lane Pumping Station by the end of this financial year.

Great Heck – Members noted there would be an increase in administration because the Board was managing the scheme of behalf of the Coal Authority. The FO reported Management Consultants would seek to recover the additional administration costs from the Board, the Board will recover those costs from the Coal Authority. Members agreed that this procedure and a clause would be incorporated into the agreement between the Board and Coal Authority including recovery of administration costs.

#### **2016.53 Hydraulic Modelling**

Members enquired as to the current position of the modelling and queried the procurement of the second phase. First Phase – Creation of Base Model and a few options. Second Phase - More Optioneering. Members discussed the progress to date and whether the Board could award the second phase without tendering the work.

**ACTION** – It was agreed that DB would investigate this matter on behalf of the Board and report back to the committee.

#### **2016.54 List of Payments**



Members approved a list of cheque payments totalling £395.00 all of which were approved by the Officers. Members all approved a list of payments made direct from the Board's account totalling £217,503.91 of which £94,106.84 were approved by the Officers only.

AC queried the payment to Direct Traffic Management Ltd and wondered if that work could be procured direct from the council.

#### **2016.55 Terms of Reference**

Members noted the Terms of Reference that had been circulated with the meeting papers. It was agreed that the Terms of Reference word document would be emailed to members for comment following which the FO would produce a final version for approval by the full Board. Terms of reference currently advise eight members and Chairman in attendance as observer. The Chairman has expressed strongly a desire to be part of the committee

**ACTION** – FO to email word document ToR to Finance Committee Members for comment on the proposed Terms of Reference of Finance Committee and for production of a final version requiring full Board approval.

#### **2016.57 Any Other Business**

ITT Support and domain name – the FO referred to a quotation that had been submitted from JBA Consulting on appropriate IT security and monitoring of employee iPads following recent workforce issues that was circulated to members for discussion. GI disclosed she had received advice from Doncaster MBC Procurement not to enter any contracts with JBA Consulting until the management services contract had been awarded. IB voiced concern at this revelation, enquiring whether all Board decisions were to become first subject to DMBC approval. He reminded members that the current Management team were in position and had a contract until the 31st of March 2017 whatever the outcome of the procurement exercise. GI advised the Board had to be careful of all decisions made during the procurement process and that she was minded to consider the quotation following review of the quotation by DB and his views on .gov.uk and .org domain names.

GiSmapp – The second quotation circulated to members from JBA Consulting related to the presentation delivered prior to the meeting. It was agreed a decision would be deferred until the question of domain name had been resolved. IB suggested for transparency the Board should consider other systems. DB advised the virtues of a system developed by Barnsley MBC. GI indicated she was minded to use a system that would greatly benefit the workforce. Members agreed.

SYPA – The FO informed members that they had received a schedule from SYPA detailing the next three-years contribution levels and that a saving of £600 could be made if the Board made one payment covering all three years. Members agreed to the suggestion.

TV Licensing – Member agreed it appropriate to remind employees iPads cannot be used to watch or record live TV programmes or to download or watch any programmes on iPlayer or similar but are for work related use only.

2016.58 Next meeting 19 May 2017

#### **1.1 Matters arising**

**Minute 2016.22 Internal Audit** - FO issued an email on 3 June 2016 to the internal auditor advising the large Boards within the Shire Group all have a Reserve Policy.

**Minute 2016.46 External Audit** – On 5 December 2016 the auditor confirmed that “the audit was passed to the partner for signing the week before last, hopefully it should be with you soon.

I was not around last week and I believe the partner was off for most of the week. I shall chase him this week to ensure it is sent”.

**Minute 2016.50 Budget** - The Tender document has been reviewed, the contract is for a three-year term; the original estimated cost remains in the budget

**2016.53 Hydraulic Modelling** - Modelling (Phase 1), the first 12 of 13 models have been delivered. Dearne valley is outstanding due to a data shortage from the Coal Authority regarding some of their assets. The Board's Engineer is compiling a response to the queries raised on this issue at the Board meeting of 4 November including procurement of the second phase. He will report back to the Chair, Vice-Chair and Richard Ward.

## **9. APPENDIX B: Finance Committee Terms of Reference**

### **1 DELEGATED AUTHORITY FROM THE BOARD**

In accordance with the Board's Scheme of Delegation, the Board hereby delegates the following powers and authority to its Finance Committee:

- 1.1 To agree the Board Drainage Rate
- 1.2 To approve Board budget estimates
- 1.3 To approve the List of Payments
- 1.4 To agree upon proposed employee salary increases in accordance with the CEO's recommendations
- 1.5 To approve Engineering schemes with an appropriate cost/benefit ratio
- 1.6 To take decisions on any related matter the Board may reasonably determine from time to time by resolution
- 1.7 To ensure Board owned land maximises its benefit to the Board

### **2 ROLE OF THE COMMITTEE**

The Finance Committee shall advise the Board on various matters. The Finance Committee shall:

- 2.1. Consider any issue in detail as determined from time to time by the Board and make recommendations to the Board accordingly.
- 2.2. Critically review the annual revenue and capital expenditure budgets, as prepared by the Finance Officer and make recommendations to the Board accordingly.
- 2.3. Monitor income and expenditure during the year to ensure that the Board operates within approved budgets, consider any requirements for the Board to approve any large and unplanned material deviation therefrom and make recommendations to the Board accordingly.
- 2.4. Seek to ensure that Internal controls and governance arrangements are effective and make recommendations to the Board accordingly.
- 2.5. Consider all significant/material financial issues in detail and make recommendations to the Board accordingly.
- 2.6. Annually review the Board's Final Accounts, including the Internal and External Audit Reports and the Governance Report, and make recommendations to the Board accordingly.
- 2.7. Periodically scrutinise all payments that have been made to suppliers, as authorised by the signatories in accordance with the Board's Financial Regulations and Bank Mandate and approved the list of payments.
- 2.8. Support the Board's Chairman and Chief Executive in their roles, as set out in the Division of Responsibilities document (Chairman and Chief Executive).
- 2.9. Make recommendations to the Board on settling claims for compensation that have been made against the Board

### **3 MEMBERSHIP OF COMMITTEE**

The Finance Committee shall comprise of 8 Members of the Board, with the current Chairman and WLM Chairman in attendance as observers. The Committee will ensure that Nominated Members will always have a majority over the Elected Members.

The Board shall elect from its membership 8 Members and appoint its Chairman to serve on the Finance Committee for an initial period to 31 October 2016 and triennially thereafter.

All members of the Finance Committee shall be eligible for re-election at the end of the initial period or three year term, provided they continue to be Members of the Board.

If a Member is unable to attend a meeting they can send a substitute in their place, providing the Finance Officer is notified at least 2 days prior to the meeting and the substitute has had sight of the meeting papers. The substitute must be an existing member of the Board.

If a member is absent from the Finance Committee for 3 consecutive meetings, they shall, unless their absence is due to illness or some other reason approved by the Board, vacate their office at the end of the third meeting.

Any casual vacancy that arises among the Members of the Finance Committee for whatever reason shall be filled by the Board as soon as practicable after the occurrence of the vacancy.

The Board can remove Members and Advisors serving on the Finance Committee and appoint new Members and Advisors at any time by resolution of the Board.

#### **4 CHAIRMAN OF THE COMMITTEE**

The Members on the Finance Committee shall elect from their number a Chairman who shall hold office for an initial period to 31 October 2016 and triennially thereafter from 1 November.

The position of Chairman shall change every three years, unless otherwise agreed by the Committee.

If any casual vacancy occurs in the office of Chairman, the Finance Committee shall as soon as it conveniently can after the occurrence of such a vacancy, choose someone of their number to fill such vacancy, and every such Chairman so elected would have been entitled to continue if such vacancy not have happened.

If the Chairman of the Finance Committee is not present at a Finance Committee meeting, the Members of the Finance Committee shall elect someone of their number to Chair the meeting.

#### **5 VOTING ENTITLEMENT**

Each Member of the Finance Committee shall have one vote. In the event of an equal number of votes being cast the Chairman of the meeting shall have a second or casting vote, in accordance with the Board's Standing Orders. For the avoidance of doubt, the Advisors and Observers will not be entitled to vote.

A substitute attendee will have the power to vote

#### **6 QUORUM**

No business shall be transacted at any meeting of the Finance Committee unless at least one half of the Members of the Finance Committee are present. For the avoidance of doubt a Member is considered to be present if they participate in the meeting by telephone, teleconference or through an exchange of email. (as specified in the notice of the meeting).

**7 NUMBER OF MEETINGS PER YEAR**

The Members on the Finance Committee shall meet at such dates and times as they decide ("Scheduled Meetings"). Additional meetings can be convened by the Board, the Chief Executive or Finance Officer.

All Members attending meetings of the Finance Committee shall be recorded.

**8 NOTICE, MINUTES AND MEETING REPORTS**

A minimum of seven days notice shall be given to Members via email in advance of all Scheduled Meetings, which will also include an agenda, written minutes of the previous Finance Committee meeting and whenever possible the relevant reports to be considered. The notice must clearly state where/how the meeting is to take place; be it at a physical location, by telephone conversation or teleconference, or through an exchange of email.

**9 VENUE FOR MEETINGS**

All meetings of the Finance Committee shall take place at Board offices unless otherwise determined by the Finance Committee.

**10 FINANCE COMMITTEE**

The Commissioner's Finance Committee and these terms of reference are in substitution for any previous terms of reference or other arrangements relating to the Board's Finance Committee, which are deemed to be terminated with effect from xxxxxxxxxx 2017

**11 CERTIFICATION**

Danvm Drainage Commissioners has approved the terms of reference for this Committee on xxxxxx 2017

## 10. APPENDIX C: Internal Audit Review meeting

Held at JBA Consulting, Epsom House,  
Monday, 28 November 2016

Present:	Mr Adrian Black	Scunthorpe & Gainsborough WMB
	Mr David Hinchcliffe	Black Drain Drainage Board
	Mr Peter Horne	Doncaster East IDB
	Mrs Veronica Chapman	Doncaster East IDB
	Mr Christopher Day	Ancholme IDB
	Mr Martin Oldknow	Black Drain DB/Doncaster East IDB
	Mrs Gillian Ivey	Danvm Drainage Commissioners
	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)

### 1. Introductions and Apologies for Absence

The members of the panel briefly introduced themselves. Apologies for Absence were received from Cllr CA Harp and from Cllr R Sutherland.

### 2. Minutes of the Last Meeting/Matters Arising

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

### 3. Risk Register – New Format

The finance officer gave a brief update of the changes applied to the register since the last meeting. A section had been added specifically identifying what the undesirable events are and the risks associated with them. Also, the finance officers explained the proposal to maintain a separate register for every drainage authority, with each register tailored to the needs and circumstances of that client. The panel discussed the following items with regard to the format.

#### Individual Registers

Andy Cane suggested the current register is fairly general and it would be a good thing for each authority of have its own register. Gillian Ivey agreed and said each drainage authority has its own risks and circumstances. Craig Benson gave several examples of risks faced by individual clients that were particular to that client.

#### Live Document

The panel noted the document was now fairly unwieldy and discussed whether some of the older entries that have since been resolved be removed. The officers pointed out each Board needs to be aware of all the risks it faces and the control members they have in place, to facilitate review.

#### 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.

## 4. Risk Register – Items Discussed

In addition to the general format the panel discussed several specific items.

### Declarations of Interest

GI suggested a sentence be added all Boards' meeting papers reminding them of the requirement to declare any interests. AB suggested correspondence should be sent to all members periodically requesting they check their details are up-to-date. AC asked how often members actually declared an interest during meetings and offered to leave the room. He was informed it did indeed happen although it is somewhat rare.

**ACTION – Consider Issuing emails to members**

### Policies on Public Awareness

GI said that Danvm Drainage Commissioners strongly felt that the website did not very much help the public become more aware of Drainage Boards. She pointed out the search engine Google pointed the Shire Group home page rather than individual drainage authorities. Furthermore, she said they could do more to put things into the public arena and raise public awareness of Drainage Boards and their activities. CB pointed several recent events included ADA shows, their regional branches, the Lincolnshire Show and the Danvm Drainage Commissioners recent display at Bentley Park. Peter Horne asked whether it was the management team's responsibility to raise awareness. After a brief discussion regarding contractual arrangements CB said the team should take the lead, mentioning possible visits to local schools, explaining the importance of flood protection, giving flume demonstrations and so on.

## 5. Internal Auditor's Report

The internal auditor reviewed the work undertaken on the 2015/16 accounts. In general, the internal auditor was satisfied with how things are running and said there were no major concerns. The panel discussed the following points:

### Decision Making

AC said this issue is never an easy one but the attendance of members and the split between elected and nominated members should always be borne in mind. MO said some boards should consider reducing reconstituting to reduce the number of members. PH said Doncaster East IDB would look carefully at this option and also that local authorities tend to nominate council officers, who tend not to get involved. GI said Danvm DC generally did well in this regard with all 13 nominated members attending the meetings on some occasions. AC reaffirmed attendance should reflect the 'plus-one' make-up of the Board's constitution. CB suggested if a Board has a majority of one, they should consider reconstitution. DH said he preferred councillors as they are better aware they are representing the drainage board and not the local authority that appointed them, and that officers may have different agendas.

### Reserves Policy

GI pointed out that Danvm DC have now in fact adopted a reserves policy. AC was agreeable to amend his report. CB pointed out all Shire Group members have a reserves policy, with Goole Fields District DB being the sole exception.

### Assessment of Control Environment

PH drew attention the internal auditor's frequent use of the phrase 'fairly robust', and said if the auditor couldn't provide any concrete suggestions on how to improve matters, an unqualified 'robust' would be more appropriate. AC said this was a mere wording issue, and acknowledged risk could never be entirely eliminated. He agreed to use the phrase 'robust' in future.

## 6. External Auditor's Report

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

### **Ongoing Audit of Danvm Drainage Commissioners**

CD asked for confirmation that the external auditors had all their required materials by July. CB confirmed so, and the audit should be complete by 30 September 2016. CB further explained that the external auditor should've been in contact and advised the Board to advertise that the audit was still ongoing. CD strongly expressed the view that this was not acceptable. CB agreed and said the officers would send an email on behalf of the panel to this effect. CB also gave the panel a brief description of the details of the change of regime. AC said auditors need to work to deadlines, 30 June in his case and 30 September for the external audit.

**ACTION –Contact BDO on behalf of the panel by email**

## 7. Any Other Business

### **Budget Process & Scope of Internal Audit**

Craig Benson informed the panel he had looked at the budget process with the internal auditor. CD enquired about the scope of the audit. CB said the process was set down in legislation and the initial discussions took place in March. AC said the scope had to be flexible to allow for any necessary investigation. CB reminded the panel any specific risks could now be added to the risk register.

## 8. Date of Next Meeting and Close of Meeting

The next meeting of the panel will be held on Monday, 27 November 2017 at 10.00am at JBA Consulting, Epsom House, Redhouse Interchange, Doncaster, DN6 7FE.

CD thanked the internal auditor for all the work done and the finance officers thanked the members for attending. The meeting closed at approximately 10:50am.



## **11. APPENDIX D: Risk Register**

A copy of the updated Risk Register can be found over the following pages. The Board is requested to review and approve the document.

Item	Grade	Impact	Likelihood	Ref	Risks	Mitigation and Action Required	Last Reviewed
<b>Governance - Members &amp; Management</b>							
<b>Question 1 - Does the Board Lack Direction?</b>							
1. a)	B	High	Low	1.1	Disunity in Board with conflicting aims & objectives. External bodies and the wider public lack understanding of the Board's aims & objectives. Internal/external disputes cannot be resolved through lack of adopted policies.	Each board has a policy statement on Flood Protection and Water Level Management. These fall short of full Strategic Plan. All Boards have Biodiversity Action Plans. ADA standard model policies utilized to adopt an application. By default the constitution follows the provisions laid down in the Land Drainage Acts.	16/11/2016
1. b)	B	High	Low	1.2	Board lacks sufficient funds to meets its obligations.	Budgets follow sound logical principles. Approved by each IDB.	16/11/2016
1. c)	B	High	Low	1.3	Officer's unaware they have exceeded, budget, become overdrawn or that there are other, material errors in the accounting records. Inefficient, dangerous operational practises occur and continue unaddressed.	Daily, weekly, Monthly and Quarterly totals considered by Financial Officers on an ongoing basis that these are in accordance in general terms with budget. Evidence of budget monitoring approved by IDBs. Budget review document signed each month with comments.	16/11/2016
1. d)	B	High	Low	1.4	Board members and other funding partners unaware of problems set out above. Said problems continue unaddressed.	Operational performance considered and updated at Board meetings as appropriate. Ratepayers know Board members. (Names of all Board members <b>are available on the</b> Shire Group website) Feedback to board of praise /criticism via member. Complaints procedure documented and available on website.	16/11/2016
<b>Members/Officials</b>							
<b>Question 2 - Do officials/members lack relevant skills or commitments?</b>							
2. a)	D	Low	Low	2.1	Board members/officials lack suitable knowledge and experience. Members/officials lack ability to make objective decisions and act in the Board's long-term interest. Recruitment process is not transparent to all.	Land Drainage Act provides for election of members every 3rd Year. Generally recruitment is via word of mouth from existing members and landowners who have been affected by the boards' policies in order to represent their interests. <b>Format of the nomination papers is</b> prescribed by the LDA 1991 and <b>copies are</b> available on the website.	16/11/2016
2. b)	D C	Low Low	Low High	2.2	Unsuitable members (see above) appointed to the Board Local Authority appoints unsuitable members to the Board.	Qualifications for membership laid down by LDA 1991. See reverse side of nomination paper. Council to nominate people as they consider appropriate	16/11/2016

Item	Grade	Impact	Likelihood	Ref	Risks	Mitigation and Action Required	Last Reviewed
2. c)	C	Low	High	2.3	Members/officials lack understanding of the Board's objectives, latest legislative requirement and latest developments in the industry.	Ian Benn is a member of the ADA Technical & Environmental Committee. He attends a forum of local Clerks approx. 3 times per year together with The Association of Drainage Authorities annual conference. Regular updates from Association of Drainage Authorities. <b>All updates reported to members in their meeting papers.</b> Training seminars on legislation, responsibilities, ethics, etc. are being delivered. <b>Comprehensive modular training scheme to be added to the website (target date 31.3.2017)</b>	16/11/2016
<b>Question 3 - Does the Board lack appropriate composition?</b>							
3. a)	B	High	Low	3.1	No clear framework of the operations in the organisation. Members/officials do not understand their own roles & responsibilities.	Composition of the Board set out in DLA. Standing Orders and Financial Regulations renewed are reviewed and renewed. To be approved by DEFRA.	16/11/2016
3. b)	D	Low	Low	3.2	A member's interest are in conflict with those of the Board. Board are unaware of any such potential conflicts.	Minutes and agenda thereto states Board Members are advised to declare a pecuniary or non pecuniary interest on any item in the agenda. Register of Members' Interest <b>compiled and kept up-to-date.</b>	16/11/2016
3. c)	D	Low	Low	3.3	Members / officials meetings have taken place. Decisions of the Board go unrecorded.	LDA and Clerk to arrange programme of meetings. <b>Agenda for meeting set by Clerk and Chairman. Minutes of meetings scrutinised &amp; approved by Board.</b>	16/11/2016
3. d)	B	High	Low		As 3 b) above.	As 3 b) above.	16/11/2016
3. e)	D	Low	Low		Reviewers not certain of legality of expense payments made to members.	Not for Board meetings, conferences only, as <b>per LDA.</b>	16/11/2016
3. f)	D	Low	Low		Board exposed to risk of fraud.	No remuneration policy in place. Boards may pay a chairman's honorarium at their discretion, <b>subject to ministerial approval.</b>	16/11/2016
<b>Management</b>							
<b>Question 4 - Is There an Adequate &amp; Informed Organisational Structure?</b>							
4. a)	D	Low	Low		See 2. c) above.	See 2. c) above. Management are involved in the preparation of training modules and attend the seminars, or indeed deliver them.	16/11/2016
4. b)	D	Low	Low		Lack of a clear chain of command. Officers uncertain of the responsibilities and level of authority. Organisational structure difficult to review.	In general on website. Further, more detailed documents setting out team structure, individual roles, etc. on JBA records. To be added to the website <b>(target date 31.3.2017)</b>	16/11/2016
4. c)	D	Low	Low		Staff problems and organisational anomalies not addressed.	JBA procedures. IDB Division established in line with DEFRA requirements.	16/11/2016
4. d)	D	Low	Low		Conflicts of interest not detected and not addressed.	JBA procedures. IDB Division established in line with DEFRA requirements.	16/11/2016

Item	Grade	Impact	Likelihood	Ref	Risks	Mitigation and Action Required	Last Reviewed
4. e) Is there a competence framework?	B	High	Low		Assessment of staff members ability to fulfil their roles is difficult, and the results harder to justify.	Prescriptive Job Descriptions written for each team member. These are in progress. (reviewed annually). Detailed descriptions setting out roles & requirements included in tender documentation.	16/11/2016
<b>Question 5 - Is there a lack of succession planning? Can experience and skills be lost, and corporate contract/operational impact be lost?</b>							
5. a) Is there succession planning?	B	High	Low	13.1	Orderly transitions not adequately planned for and disruptions/delays occur as a result.	Good balance of knowledge and skills appropriately segregated. Procedures being documented.	16/11/2016
5. b) Are there appropriate notice periods for changeover?	B	High	Low	13.1	Insufficient time to plan for transitions causes disruption.	All IDB Division Staff have a permanent contract with JBA Consulting. Employees with over two years' service are required to give three months' notice in writing.	16/11/2016
5. c) Are there training programs in place?	B	High	Low		Staff lack the knowledge and appropriate training to fulfil their roles.	Ongoing on the job training of key staff occurring.	16/11/2016
<b>Question 6 - Is the reporting process adequate?</b>							
6. a) Is there timely and accurate project reporting?	D	Low	Low		Management, stakeholders and other interested parties not aware potentially problematic issues.	Progress on capital schemes is reported regularly at Board meetings.	16/11/2016
6. b) Is there timely and accurate financial reporting?	D	Low	Low		Members and management not made aware on problematic or otherwise important issues in a timely manner.	Estimates Jan/Feb, Accounts May/June.	16/11/2016
6. c) Is there a budget setting process?	D	Low	Low		Board lacks sufficient funds to meets its obligations.	Yes. Laid down by LDA. Budgets set every Jan/Feb	16/11/2016
6. d) Is there proper project assessment?	D	Low	Low		Lack of due project assessment may allow problems to arise again in future schemes.	Grant-aided scheme - PAB Approval. Non grant-aided - reported to the board.	16/11/2016
6. e) Is there regular contact between board and management?	D	Low	Low		Board members unaware of relevant issues, whether operational, financial, administrative or environmental. Board members unable to set policy as required.	Regular Board meetings.	16/11/2016
D							
<b>Operational Risk</b>							
<b>Question 7 - Are there any risks associated with the provision of services?</b>							
7. a) Is there a quality control procedure?	D	Low	Low		Services rendered do not adhere to relevant professional standards.	No quality control procedure but officers are ISO 9001 accredited.	16/11/2016
7. b) Is there a complaints procedure?	B	High	Low		No opportunity for dissatisfied parties to air grievances, nor any opportunity for the Board address them and correct any problems where necessary.	Website provides clear instructions on how to make complaints. All complaints reported to the Board in the meeting papers.	16/11/2016
7. c) Is there a policy to raise public awareness and profile?	D	Low	Low		General public unaware of the roles & responsibilities of drainage authorities, or even of their existence.	Website - Shire Group of Internal Drainage Boards.	16/11/2016
<b>Question 8 - Is there a risk of supplier dependency?</b>							
8. a) Are there procedures for obtaining quotations/periodic review of suppliers' charges?	B	High	Low	8.1	Unsuitable goods/services ordered by persons lacking suitable knowledge & experience, resulting in financial burden.	Levels of authority for ordering goods & services clearly set out in Board's financial regulations. Requirement for suitable number of quotations set out in same.	16/11/2016

Item	Grade	Impact	Likelihood	Ref	Risks	Mitigation and Action Required	Last Reviewed
8. b)	D	Low	Low		Contractors appointed lacking suitable training, knowledge, competence and experience.	JBA carry out all quality assurance on all contractors. Approved contractor list circulated as appropriate and approved by the board. <b>List of the Board's approved contractors on Health &amp; Safety website.</b>	16/11/2016
8. c)	B	High	Low	8.1	Inadequate level of service rendered and/or unnecessary delays.	JBA administers all tendering processes and timing.	16/11/2016
<b>Question 9 - Is there a risk that capital resources are under utilised?</b>							
9. a)	B	High	Low	8.2	Problems not detected and corrected in a timely manner.	<b>Asset Management</b> program in place.	16/11/2016
9. b)	D	Low	Low	8.2	As above.	Repairs undertaken as required and approved at board meeting and general review to consider replacement option.	16/11/2016
9. c)	B	High	Low	8.2	Board unable implement necessary replacement of capital items.	JBA prepare and update for each meeting a 5 year capital programme for IDBs.	16/11/2016
9. d)	B	High	Low	8.2	Security issues not detected and corrected in a timely manner.	Boards with plant have secure depots. <b>Site staff bring any potential security issues to the officers' attentions immediately.</b> <b>Intruder alerts detected automatically and reported immediately through the telemetry system.</b>	16/11/2016
9. e)	B	High	Low	8.2	Board has inadequately level of cover. Board is paying for unnecessary insurance cover.	Towergate Insurance annually review all eight Board policies. IDB supplied with details.	16/11/2016
<b>Question - 10 Is there a risk of employment disputes due to injury, unfair dismissal, equal opportunities, in appropriate training etc., or a high staff turnover?</b>							
10. a)	D	Low	Low	10.1	New staff appointed who lack relevant training, competence, etc.	Interview questionnaires used.	16/11/2016
10. b)	B	High	Low	10.2	Employee dishonesty with regard to qualifications and previous experience may go undetected.	Written references <b>and copies of relevant certificates</b> obtained when new employees are engaged.	16/11/2016
10. c)	B	High	Low	10.3	Discrimination (e.g. by age, gender, race, religion or belief, sexual orientation, disability) may occur in the recruitment process and go undetected. Favouritism and nepotism may likewise occur.	No formal policy in place. Abide by current statute.	16/11/2016
10. d)	D	Low	Low		Opportunities to strengthen links with workforce misses. Also, to avert future disputes & generally improve workplace satisfaction missed.	<b>6-monthly review for new starters. Annual appraisal process for workforce.</b>	16/11/2016
10. d)	D	Low	Low	10.4	Training needs and career development goals of individuals not determined.	Schedule of training needs via the asset manager.	16/11/2016
10. f)	D	Low	Low	10.4	Health and safety needs of individuals not assessed. Accidents and illnesses that should be easily preventable occur.	As above.	16/11/2016
10. g)	D	Low	Low	10.5	No clarity as to each employees roles and responsibilities.	Job specifications in place for recent appointments.	16/11/2016
10. h)	B	High	Low		Employees' remuneration is not appropriate for their level of experience and their current roles and responsibilities. Workplace dissatisfaction through inadequate pay.	Rates increased in accordance with Association of Drainage Authority guidelines. Training and working conditions as 10 e) above.	16/11/2016

Item	Grade	Impact	Likelihood	Ref	Risks	Mitigation and Action Required	Last Reviewed
10. i) Are there contracts of employment?	B	High	Low	10.6	Employees uncertain of the details of their roles and what is expected of them.	Contracts of employment in place.	16/11/2016
<b>Question 11 - Are there risks of loss of information and continuity?</b>							
11. a) Is there a disaster recovery plan	B	High	Low	11.1	Business IT infrastructure destroyed by fire, vandalism, etc. Severe disruptions to operational effectiveness.	Backup tapes <u>kept off site</u> .	16/11/2016
11. b) Is there a policy of taking and sharing data off site?	B	High	Low	11.1	Major disruption to operational effectiveness as a result of significant loss of data.	As 11. a) above.	16/11/2016
11. c) Is there Insurance cover? Is it regularly reviewed?	B	High	Low		As 9. e) above.	see 9. e) above.	16/11/2016
<b>Question 12 - Is there a risk of lack of awareness of procedures and policies?</b>							
12. a) Is there a proper documentation of procedures and policies?	B	High	Low	12.1	Confusion or disagreements not quickly resolved. Uncertainty over requirements and expected standards.	Recommend that policies be documented at the earliest opportunity. All adopted policy documents available on website. Procedures are in progress <u>(target date 31.3.2017)</u>	16/11/2016
D							
<b>Financial Risks</b>							
<b>Question 13 - Is there a risk of loss of control through an inadequate budget process?</b>							
13. a) Is there a budget linked to planning and objectives?	B	High	Low		As 1. b) above.	See 1. b) above. <b>5-year or 25-year budget forecasts presented at Board meetings.</b>	16/11/2016
13. b) Is the budget regularly reviewed and monitored?	B	High	Low		As 1. c) above.	See 1. c) above.	16/11/2016
13. c) Is there a monitored and adequate skill base to interpret the information?	B	High	Low		Staff, members or other reviewers do not understand the implications of the forecasts they are presented with.	Team members both experienced and suitably qualified.	16/11/2016
13. d) Is there an indication of major dependencies on income sources?	B	High	Low		Board left in financial disarray should such an income stream suddenly cease for any reason.	Highlights requirements of DEFRA Grants and/or Public Works Loans (Capital works).	16/11/2016
<b>Question 14 - Is there a risk of lack of liquidity due to inadequate reserves?</b>							
14. a) Is there a reserves policy linked to business plans and identified risks?	B	High	Low		Board lacks adequate funds to fulfil its statutory obligations. Board unable to remain solvent following a major undesirable event.	<b>The Board have a reserve policy in place, and take it into consideration when setting the budget every year.</b>	16/11/2016
14. b) Is there a regular review of the reserves policy?	B	High	Low		Reserve policy fall out-of-date and are no longer adequate to meet the requirements of the Board.	<b>Policies reviewed periodically, typically 3 or 5 years.</b>	16/11/2016
14. c) Is there a fair reflection of the financial integrity of the Boards reserves?	B	High	Low		Actuality of the Board's financial perform leaves them in a position in breach of their reserves policy.	Presentation of balances within accounts is consistent with associated effects on stated reserves. Recommend review of presentation of Balance Sheet in conjunction with Reserves Policy. <u>This is ongoing.</u>	16/11/2016
<b>External Risks / Compliance with the Law</b>							
<b>Question 15 - Is there a risk associated with non-compliance with the law or other external factors?</b>							
15. a) Is there a policy of review of the legal requirements extending to the organisation/professional opinion sought re:							
• Employment Law?	B	High	Low		Board in breach of its statutory obligations.	Equal Opportunities policies in existence.	16/11/2016
• Human Rights Legislation?					Same	<b>All applicable law complied with.</b>	

Item	Grade	Impact	Likelihood	Ref	Risks	Mitigation and Action Required	Last Reviewed
<ul style="list-style-type: none"> <li>• Health &amp; Safety?</li> <li>• Criminal Acts?</li> </ul>					Same Same	Ian Benn/Craig Benson Health & Safety Advisors. Disciplinary Procedures.	
15. b) Is there a policy for monitoring and reporting grant funders' conditions?	B	High	Low		Actual costs may exceed budgeted, opportunities to take corrective action missed.	Depends on the scheme. Monitored generally by the project manager.	16/11/2016
<b>Speciifc Board Risks</b>							
<b>Question 16 - Are there any specific Board Risks?</b>							
16. a) Is there a major ratepayer whose none payment would significantly impact on the Board activities?	B	High	Low		Board left with shortfall in reserves Board unable to pay Creditors Cashflow problems Change in % of Board membership	Reserve Policy and long term planning <b>same</b> same Board awareness.	19/12/2016
16. b) Is there an over reliance on borrowing monies to fund capital replacement?	B	High	Low		Facility to borrow money may not be available.  Restrictions placed on the level of annual loan repayments as a percentage of Rates and Special Levies  Instigate a council referendum if rate increase is more than 2%.	Increase in drainage rates to build funds specifically for capital replacement. Depreciate asset and set aside funds annual to replace at end of life.  Source other funding possibilities such as Grants, Local Enterprise Partnerships	16/12/2016
16. c) Environment Agency withdrawal of maintenance on main river and tidal systems	A	High	High		Board's maintenance operations reliant upon EA systems  Agricultural land taken for flood storage thereby reducing drainage rate income of Board	Board consider carrying out work on main river at own cost.  Reduce works on ordinary watercourses	19/12/2016
16. d) Major Development in Board's District	B	Low	High		Increase in Special Levy on Council  Change in % split of membership of Board.	Council made aware of impact of development on Special Levy. Board made aware of changes to Board membership	19/12/2016
16. e) Third Party Contributions Cease	B	Low	High		Environment Agency stop Highland Water Contributions. Likely impact would be an increase in the drainage rate.  Third parties seek to remove their commitment to fund shared assets	Reduce reliance on this income when budgeting and treat income as bonus and spend on works at end of year.  Review existing arrangements and opportunities to update all agreements.	19/12/2016
16. f) Failure of Board Asset	B	Low	High		Failure of asset adversely affects the conveyance of water through the Board's District	Board have instigated a proactive inspection regime to mitigate against unplanned failures.	19/12/2016

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Dublin  
Edinburgh  
Exeter  
Glasgow  
Haywards Heath  
Isle of Man  
Leeds  
Limerick  
Newcastle  
Newport  
Peterborough  
Saltaire  
Skipton (Belle Vue Mills)  
Skipton (Head Office)  
Tadcaster  
Thirsk  
Wallingford  
Warrington

