



Scunthorpe & Gainsborough

Water Management Board

**Grange Park Golf Club
Butterwick Road
Messingham
Scunthorpe, DN17 3PP**

Meeting Papers

***Monday, 5 February 2018
2:00pm***



Shire

Group of IDBs

**Epsom House
Malton Way
Adwick le Street
Doncaster DN6 7FE**

T: 01302 337798

**info@shiregroup-idbs.gov.uk
www.shiregroup-idbs.gov.uk**

Meeting Papers

Prepared by:

Clerk - Ian Benn - PG Dip H&S and Env Law, Dip. NEBOSH

Engineer - Paul Jones BSc (Hons) Civil Engineering, MSc Engineering Project Management

Administrator/Environment Officer - Alison Briggs BSc (Hons) Env.Sc., MSc Env.Mngt ClimateChange

Asset Manager - Martin Spoor BSc (Hons) Engineering, Geology, and Geotechnics

Finance officer – Craig Benson BA Business Studies

Finance Officer - David Blake BSc (Hons) Accounting

Finance Officer - Mark Joynes BSc (Hons) Mathematics

Rating Officer - Janette Parker

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.

Carbon Footprint



A printed copy of the main text in this document will result in a carbon footprint of 181g if 100% post-consumer recycled paper is used and 231g if primary-source paper is used. These figures assume the report is printed in black and white on A4 paper and in duplex.

JBA is aiming to be a carbon neutral company and the carbon emissions from our activities are offset.



Agenda

1.	Governance	4
1.1	Apologies for Absence	4
1.2	Declaration of Interest.....	4
1.3	Minutes of the Meeting held 13 November 2017	4
1.4	Matters arising not discussed elsewhere on Agenda	8
1.5	Complaints/FOI requests	8
2.	Clerks Report	9
2.1	Legislation.....	9
2.2	Policy	9
2.1	Guidance	9
2.2	Environment Agency.....	9
2.3	Association of Drainage Authorities.....	10
2.4	Succession Planning	10
2.5	Partnership Approach to Catchment Management (PACM)	10
3.	Financial Report	11
3.1	Rating Report.....	11
3.2	Audit.....	11
3.3	Rates, Estimates and Special Levies y/e 31 March 2019	12
3.4	Five Year Budget Estimate	14
3.5	Schedule of Payments.....	15
3.6	Automatic Enrolment	17
4.	Engineer's Report	18
4.1	Asset Management.....	18
4.2	Planning, pre-application advice and consents	19
5.	Environmental Report	20
5.1	Legislation.....	20
5.2	Defra	20
6.	Health and Safety Report	21
6.1	Board Employees	21
7.	Representation	21
8.	Date of next meeting	21
9.	APPENDIX A: Risk Register	22
10.	APPENDIX B: Minutes of Internal Audit Review meeting	29

1. Governance

Recommendation:

- Note the information contained in this report

1.1 Apologies for Absence

1.2 Declaration of Interest

1.3 Minutes of the Meeting held 13 November 2017

Present

Margaret Arminger	MA
Dave Barratt	DB
Adrian Black (Chairman)	AB
Chris Black	CB
Frank Bottamley	FB
John Coggon	JC
John Collinson	JC2
John England	JE
David Forrington	DF
Trevor Foster	TF
Samuel Godfrey	SG
Jonathan Jackson	JJ
Benjamin Jackson	BJ
Paul Metheringham	PM
Ralph Ogg	RO
Dave Oldfield	DO
Neil Poole	NP
Jeff Summers	JS

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

Ian Benn (Clerk)	Clerk
Craig Benson (Finance Officer)	FO
Alison Briggs (Environment Officer)	EO
Paul Jones (Engineer)	Eng.
Martin Spoor (Asset Manager)	AsM

Also in Attendance

John Cooke, Towergate Insurance

Apologies for Absence.

2017.59 Apologies for absence were received from Pat Mewies and Helen Rowson.

Declaration of Interest

DF, DB in Ravensfleet Pump Station advising Members if it was felt his presence in room would be thought to influence vote he would leave the room. JS advised DF a representative of that District and queried whether it appropriate he should leave room. Chairman noted the information contained in the ADA Gazette on Declarations of Interest advising it appropriate for Members to make the decision however there was a direct financial link specifically relating to pump operation and potential damages if there were no station upgrade as noted in the meeting

papers. JC2 declared interest as member of North Lincs planning committee. Clerk advised on Member Code of Conduct and declarations of interest. Key area is reasonableness as to whether could be perceived as influencing decision and appropriate to situation regarding Ravensfleet PS. Code indicates Member should remove himself from the meeting.

Minutes of the Last Meeting

2017.60 Minutes of the meeting held 12 June 2017, copies of which had been circulated previously to members, were considered by the Board. **BJ proposed they be agreed as a true record of the meeting, NP seconded, all in agreement.**

Matters Arising not discussed elsewhere

2017.61 None.

Reschedule of Agenda - Insurance

2017.62 Chair introduced John Cooke of Towergate Insurance. Purpose of Mr Cook's attendance was to advise on the declarations to be made on the Reasonable Search Record and Material Fact Declaration forms previously issued to Members. He advised the Insurance Act does not provide room for manoeuvre, it strictly places emphasis on the policy holder to make the declaration. The Board is the Policy Holder, comprising a number of Board Members. The investigation of record and material fact must be seen to be delivered but he noted it a difficult subject and includes records of claims relating to regulation non-compliance and financial compliance. It covers Members, the Clerk, Engineer, Finance Officer and for some IDBs, various committees.

JJ suggested the Insurers were casting net for information which is not relevant and could perhaps be sold on; Mr Cooke confirmed no information is sold on by the Insurer. All that is required from an insurance perspective is a declaration by the Board relating to material information. JJ noted Members were volunteers representing other stakeholders within the area and felt private information was irrelevant. BJ advised the questionnaire asked for personal information. Mr Cooke advised personal information was unnecessary however he stressed the Board is made of a selection of individuals who jointly determine Board Policy. If someone on the Board has a conviction for fraud and a fraud claim arises out of Board activities, the insurers will advise that prior conviction should have been brought to its attention as each member contributes to decisions made by the Board. Prior to the recent Act everything was clear however until the legislation has been challenged this is the requirement.

TF believed a challenge would arise quickly but in meantime the Board was unable to deal with the requirement as it stood. Mr Cooke advised the Board must be insured and a requirement of that insurance was it had to make the declaration. If no specifics are put to insurers they will believe there is none to be declared. AC queried whether prior claims for the Board or prior claims for individual; advised particularly claims for the Board however to respond to the declaration required correctly, means information from individual Board Members is required. BJ advised no such questionnaire has been sent to farming business, other Members agreed similar experience. Mr Cooke advised whatever action other insurers did or did not take was not the Board's Insurers concern, it was following the legislation. The Insurance Act notes where there has been a minor or trivial omission the prejudicial steps insurers could take would be reduced to trivial. AC queried whether a limit could be placed on claims made by Members. Mr Cooke advised another Board has declared nothing Major to declare. **JJ proposed the Board make a declaration that there is nothing major to declare, DF seconded, all in agreement.** Chair requested more simple form setting out what the major claims would be associated with which may cover County Court Judgements.

2017.63 Mr Cooke also looking at insuring underground areas of pump station and associated pipework which currently is not insured. Will relay information via Finance Officer.

Appointment of Vice Chairman

2017.64 Chair advised former Vice-Chair had resigned. Chair thanked David Templeton for his contribution to the Board over the years, he had been a useful member. **Chair nominated**

Benjamin Jackson for new Vice-Chairman, JJ declared an interest, no other nominations were received, seconded RO, all in favour.

Casual Vacancy

2017.65 Nomination received and supported by Chair who proposed Paul Metheringham, seconded JC, all in favour. PM declared an interest in Ravensfleet PS discussions.

Complaints

2017.66 None received.

CEO's Report

The CEO's report, copies of which had been circulated to members was considered. Clerk advised information for note and no updates.

2017.67 Humber Strategy Review – Noted EO requested to sit on some working groups in association with comprehensive review.

2017.68 Anglian Northern RFCC – Clerk advised process of PSCA is the first port of call, once any river is de-mained, it becomes an Ordinary Watercourse and whilst an initial asset transfer may have partial initial capital monies, that will cease. Some time ago Management produced flow chart information on system rationalisation which was provided to ADA. Board should undertake its maintenance work in accordance with Policy because there is always the expectation once the Board has maintained a particular watercourse, it will always be done.

2017.69 Succession Planning – Board has one employee who manages Gainsborough area, approximately ¼ of the combined Scunthorpe & Gainsborough and Ancholme Board districts. Remainder of Board District is managed by Ancholme IDB employee. Management continues to be in discussion with employees.

2017.70 Partnership Approach to Catchment Management – noted.

2017.71 ADA Committees and Conference – noted.

Financial Report

The Financial Report, copies of which had been circulated to members was considered.

Matters Arising

2017.72 Rating Report – £10,598 outstanding of which just over £9,000 is instalments from one unit. Balance at year end likely to be similar with that at start.

2017.73 External Audit – Unqualified opinion but Board is required to record it has read report. Noted Declarations of Interest has been raised for note, in future years that may lead to a qualified opinion. AC noted it referred to annual Declaration of Interest, EO advised Register is on website for Members to view and form advises Member responsibility to advise within 28 days of any alteration. FO advised insurance value of assets has increased relating to compliance with Eels

Regs and similar, but process needs to be finalised. **CB proposed Board record the report had been reviewed, RO seconded, all in favour.**

2017.74 Internal Audit – Advised upon a request to change bank account details by supplier that Management should know company personally and meet face to face to agree that change. Will be discussed at Internal Audit Review Meeting but believe systems Board has in place are robust.

2017.75 Internal Audit Review Meeting – noted.

2017.76 Budget comparison y/e 31 March 2018 – received approximately 97% of anticipated income, overall budget where expected.

2017.77 List of payments – JJ queried payment to Hull University requiring confirmation was a one-off payment. Confirmed. **JJ proposed list of payments be approved SG seconded, all in agreement.**

2017.78 5-year budget – Noted slight uplift in rates in association with Ravensfleet work and will depend upon income toward station from other partners as to the effect on future rates.

Engineer Report

The Engineer Report, copies of which had been circulated to members with the Meeting papers, was considered.

2017.79 Asset management – ordinary watercourses – both northern and southern area maintenance contracts have an option to extend for last 12-month period before going back into a public contract regulation procurement exercise.

2017.80 Recommendations - Board to reconsider maintenance in southern area. Chair heard late start however quality of work was good. **TF proposed extend contract for further 12 months, AC seconded, 16 in favour, three abstentions, carried majority agreement.**

2017.81 Northern area JJ proposed extend further 12 months, CB seconded, all in agreement.

2017.82 JS advised his abstinence on southern area contract being aware Members in that area were dissatisfied. AsM advised had meeting when start agreed however contract failed to meet what had been agreed. DB queried whether next year required de-weeding or de-sludging because a September start could not be considered for de-sludging. Eng. advised tried to work with contractors, they did not deliver what they said they would. He wanted to work with landowners on the ground however with just one season left for both contracts it was sensible to engage with North Lincs Procurement team over complete new tender works for 2019 forward. AsM noted current agreement with southern contractors takes into account Employee using tractor and flail and Board will need to consider whether it wishes to retain in house investment which will require purchase of new equipment. Cost this year £3,000 on flail repair, £1200 last year. Members suggested was not costing the Board. AsM advised considerable expenditure would be required if employee was to be used with tractor and flail in association with a new contract. If that work was not retained in house it would release that employee for other duties within the district.

2017.83 Ravensfleet PS – Eng. reported information in papers had been extracted from parts of business case to give indication what will be submitted to EA which comprises 300-page report. Members will gain understanding of benefit area and extent of area that would be compromised should there not be a pump station. There needs to be significant damages to justify a GiA application. May only need 5% of damages where 95% of damages would then be available for the EA or LLFAs to utilise for surface water FRM schemes. Board agreed some time ago it would be expected to contribute toward the scheme, the remainder funding will look for GiA. Advised Board may be able to access more GiA through this rationalisation, based on economic information available. High-level estimate for scheme at approximately £930,000. Cost must be submitted for appraisal and business case has to include 60% on top of high level estimate to take into account likely costs, there are no tendered costs available at this stage. JJ queried whether grant monies or loan monies. Eng. advised p23 showed what EA has allocated in Grant for this site and what IDB had agreed to fund, however may now be possible to obtain more GiA than previously thought. FO advised p19 of papers showed what Board has estimated its contribution noting whilst PWLB monies remain available currently, future availability or interest rate unknown. Recommendation was to note the delegate authority of the Chair for the design and build

specification. JC advised monies may be available through Local Levy on production of business case.

2017.84 Recommendation: Acknowledge delegated power to Chair for Design & Build Contract Specification to be developed by Officers under Specialist Services which would be put out to tender. Costs will be time based and estimated to be in the region of £1,000. **JS proposed delegated authority to Chair in this matter, JJ seconded, all in agreement.** JS thought quality to be emphasised more than price learning lesson from the maintenance contract. Clerk advised on standard of service provided by North Lincs Council procurement team and discussion on weighting of a tender and scoring criteria suggesting appropriate to concentrate on Outcome Measures. SG suggested penalty clauses for not undertaking work when required. Eng. advised had to be careful with imposing dates, SG advised Board could decide not to impose a penalty. AsM advised on pre-season start consideration due to inundation and high rates of growth around June, difficulties encountered with inability for pump station to influence water levels because of that channel growth. Board may need to consider two cuts and perhaps outside usual window of operation which would carry associated additional costs.

2017.85 Jenny Hurn PS – pump refurbishment – noted.

Environment

The Environmental Report, copies of which had been circulated to members with the Meeting papers, was considered.

2017.86 Members noted targets and actions delivered by the Board during 2017. Suggested may require a revision of Board BAP as some targets may not be possible to deliver as target outside control of Board, giving the example of ponds, none of which are owned by the Board.

Health & Safety

The Health and Safety Report, copies of which had been circulated to members with the Meeting papers, was noted by the Board.

2017.87 Health & Safety in Agriculture noted by Members

2017.88 Representation - Members noted the fora on which the Board had been represented.

Date of Next Meetings

2017.89 5 February 2018, 21 May 2018 and 12 November 2018.

2017.90 Meeting closed 15.20pm.

1.4 Matters arising not discussed elsewhere on Agenda

1.5 Complaints/FOI requests

None received.

2. Clerks Report

Recommendation:

- Note the information contained in this report

2.1 Legislation

Commencing this month, new Water Abstraction and Impounding (Exemptions) Regulations 2017 will impact on some within the industry. Previously exemptions applied to certain activities which now require a licence be obtained with an associated fee. The existing requirement for abstraction less than 20m³ per day remains in place. Changes will be incorporated into the Board's Consent applications conditions.

2.2 Policy

Nothing to report.

2.1 Guidance

2.1.1 Defra

Farming rules for water

The publication summarises the 'farming rules for water' which will be introduced from 2 April 2018. The rules will require good farming practice, so that farmers manage their land both to avoid water pollution and to benefit their business.

This is available on the Shire Group section of the website.

2.1.2 Environment Agency

Designation of 'main rivers': guidance to the Environment Agency

Published 16 November 2017:

The guidance sets out the basis on which the Environment Agency decide whether a river or watercourse is treated as a 'main river' or not. The guidance has been issued under section 193E of the Water Resources Act 1991.

This is available on the Shire Group section of the website.

2.2 Environment Agency

2.2.1 Trent Flood Exercise

On the 7th and 8th February the Humber Local Resilience Forum (Humber Emergency Planning Service) has arranged a Trent Flooding exercise. There are two teleconferences being held the first is the EA Flood Advisory Service teleconference where it and the Met Office brief participants on potential flooding issues. The second is one for the Environment Agency, North Lincs Council, affected Drainage Boards, and Water Companies to discuss potential flooding. The EA pulls together a sheet of A4 describing potential consequences. The exercise is dealt with as if "real life". This Board will be represented, and it is hoped the exercise will be valuable to all Risk Management Authorities.

2.2.2 Humber Flood Risk Management Strategy

Comments have been fed back into the scoping report for the Comprehensive Review of the Strategy. While the Strategy now encompasses the tidal limit, the Review will concentrate on tidal flooding along the estuary.

2.3 Association of Drainage Authorities

2.3.1 Conference November 2017

James Bevan looks like a sound appointment as Chief Executive for the EA. He was subject to the usual interrogation around dredging, badgers/newts etc but delivered robust open responses which were well received. He clearly stressed that de-maintenance and asset transfer will only happen with 'willing partners'.

There was an excellent presentation from Cllr Derek Antrobus Salford City Council dealing with sustainable developments and natural flood management issues.

Robert Caudwell gave his inaugural speech as the incoming ADA Chairman demanding to be an equal partner in water level management activity and would not be content with IDBs just being 'thrown crumbs'.

Henry Cator stood down as Chairman.

2.4 Succession Planning

A brief report will be given at the meeting.

2.5 Partnership Approach to Catchment Management (PACM)

A further meeting has been arranged for end of January 2018.

3. Financial Report

Recommendations:

- To approve the Risk Register
- To note the Minutes of the Meeting of Internal Audit Review
- To agree the estimate, rates and special levies for y/e 31.3.2019
- To agree the Schedule of Payments
- To agree Automatic Enrolment Contribution level

3.1 Rating Report

Details of the Rates and Special Levies issued and payments received up to and including 11 January 2018: -

	£	£
Balance Brought forward at 1 April 2017		104.71
2017/2018 Drainage Rates and Special Levies		
Drainage Rates		134,992.74
Special Levies: -		
North Lincolnshire Council	254,391.00	
West Lindsey District Council	57,496.00	311,887.00
Total Drainage Rates Due		<u>446,984.45</u>
Less Paid: -		
Drainage Rates		128,444.70
Special Levies: -		
North Lincolnshire Council	254,391.00	
West Lindsey District Council	57,496.00	311,887.00
Total Drainage Rates Paid		<u>440,331.70</u>
Admin Adjustment		<u>-34.21</u>
Balance Outstanding as at 11 January 2018		<u>6,618.54</u>

3.2 Audit

3.2.1 Risk Register

Approval of the Board's Risk Register is required, available at Appendix A.

3.2.2 Internal Audit Review Meeting

Minutes of the Meeting are available at Appendix B.

3.3 Rates, Estimates and Special Levies y/e 31 March 2019

ESTIMATES FOR THE YEAR ENDING 31ST MARCH 2019							
2017/18				2018/19			
Approved Estimate		Estimated Out-Turn				Estimate	
£	£	£	£	£	£	£	£
INCOME							
Drainage Rates on Agricultural Land:-							
98,799		99,043		8.75p in £ on Av of £1,132,001		99,050	
Drainage Rates on Intensive Agricultural Units:-							
35,949		35,949		8.75p in £ on Av of £410,845		35,949	
Special Levies							
West Lindsey District Council							
57,496		57,496		8.75p in £ on Av of £657,101		57,496	
North Lincolnshire Council							
254,391		254,391		8.75p in £ on Av of £2,916,465		255,191	
Other Income:-							
40,000		40,786		Foreign Water Contribution (FWC)		40,000	
900		538		Other Income		500	
<u>200</u>	<u>487,735</u>	<u>60</u>	<u>488,263</u>	Interest etc		<u>50</u>	<u>488,236</u>
EXPENDITURE							
90,616		90,616		Board Loans		90,616	
8,530		8,530		Environment Agency Loans		8,530	
6,200		0		New Loan - Ravensfleet PS scheme		21,958	
Administration:-							
36,215		36,215		Management Fees		36,672	
30,000		30,880		Other Administration		30,475	
Works Maintenance:-							
45,000		45,000		Wages & Other Shared Costs		45,200	
96,000		97,811		Drain Maintenance (Contract)		99,189	
0		1,281		General Maintenance		1,000	
0		126		Other Boards Costs		0	
27,000		0		Drain Maintenance Silt Removal (Lysaghts)		27,000	
21,000		0		Telemetry Contract		0	
29,000		0		Asset Condition Study, EA Main Rivers		32,000	
4,000		4,000		Biodiversity Action Plan		4,000	
12,500		13,000		Plant and Vehicles		12,500	
<u>126,000</u>	<u>532,061</u>	<u>115,714</u>	<u>443,173</u>	Pumping Stations, etc.		<u>127,440</u>	<u>536,580</u>
	(44,326)		45,090	Surplus - (Deficit)			(48,344)
	<u>404,596</u>		<u>422,877</u>	Balance Brought Forward			<u>447,967</u>
	<u>0</u>		<u>20,000</u>	Transfer to NW&P Account			<u>20,000</u>
	<u>360,270</u>		<u>447,967</u>	Balance Carried Forward			<u>379,623</u>
Previous Years Rates in the £							
2012/13 : 8.75p - 2013/14 : 8.75p - 2014/15 : 8.75p - 2015/16 : 8.75p - 2016/17 : 8.75p - 2017/18 : 8.75p							
Penny Rate : £51,164							

ESTIMATES FOR THE YEAR ENDING 31ST MARCH 2019							
NEW WORKS AND PLANT ACCOUNT							
2017/18					2018/19		
Approved Estimate		Estimated Out-Turn				Estimate	
£	£	£	£		£	£	
				INCOME			
0		20,000		Transfer from Revenue Account	20,000		
200		0		Interest	0		
100,000		0		PWLB Loan	400,000		
0		0		Local Levy Funding (Ravensfleet PS ref)	0		
<u>323,000</u>	423,200	<u>0</u>	20,000	Grant Income	<u>431,000</u>		851,000
				EXPENDITURE			
0		2,555		Burringham PS Grant Adjustment	0		
0		3,471		Flixborough PS Grant Adjustment	0		
573,000		0		Ravensfleet PS Refurbishment	932,240		
<u>0</u>	<u>573,000</u>	<u>12,332</u>	<u>18,358</u>	Ravensfleet to Susworth Study	<u>0</u>		<u>932,240</u>
	(149,800)		1,642	Surplus - (Deficit)			(81,240)
	<u>244,350</u>		<u>224,280</u>	Balance Brought Forward			<u>225,922</u>
	94,550		225,922	Balance Carried Forward			144,682

3.4 Five Year Budget Estimate

		0	0	1	2	3	4	5
	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Income & Expenditure Account	App	Est	Estimated Out-turn					
	Budget	Out-turn						
	£	£	£	£	£	£	£	£
Income								
Drainage Rates	134,748	134,992	134,999	138,856	138,856	142,713	150,427	154,285
Special Levies	311,888	311,888	312,687	321,621	321,621	330,555	348,423	357,357
Rental Income	200	200	200	200	200	200	200	200
Foreign Water Contribution	40,000	40,786	40,000	40,786	40,786	40,786	40,786	40,786
Other Income	700	338	500	515	530	546	563	580
Bank Interest	200	60	50	50	50	50	50	250
Total Income	487,736	488,264	488,436	502,028	502,044	514,850	540,449	553,457
Expenditure								
Drain Maintenance (Silt Removal)	27,000	-	27,000	-	-	-	-	-
Management Fees	36,215	36,215	36,672	37,589	38,529	39,492	40,479	41,491
Other Administration	30,000	30,880	30,475	30,500	31,500	32,000	32,500	33,313
Maintenance of Drains	96,000	97,811	99,189	101,173	103,196	105,260	107,365	109,513
General Maintenance	-	1,281	1,000	-	-	-	-	-
Other Boards Costs		126	-	-	-	-	-	-
Maintenance of Pumping Stations	126,000	115,714	127,440	129,989	132,589	135,240	137,945	140,704
Telemetry Contract	21,000	-	-	21,503	21,503	21,503	22,580	22,580
Biodiversity Action Plan etc	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Main River works, Asset Maintenance	29,000	-	32,000	25,000	20,000	20,000	20,000	20,000
Wages and other costs	45,000	45,000	45,200	46,104	47,026	47,967	48,926	49,904
Plant and Vehicles	12,500	13,000	12,500	12,500	12,500	12,500	12,500	12,500
Loan Repayments:-	99,146	99,146	99,145	99,145	99,145	99,145	99,145	95,350
New Loans	6,200	-	21,958	21,958	21,958	21,958	21,958	21,958
Total Expenditure	532,061	443,173	536,579	529,461	531,946	539,065	547,399	551,313
Surplus/(Deficit)	(44,325)	45,091	(48,143)	(27,433)	(29,902)	(24,215)	(6,950)	2,144
Balance Brought Forward	404,596	422,875	447,966	379,823	352,390	322,488	298,274	281,324
Contribution to NW&P Account	-	20,000	20,000	-	-	-	10,000	-
Balance Carried Forward	360,271	447,966	379,823	352,390	322,488	298,274	281,324	283,468
New Works and Plant Account	94,550	225,924	144,684	144,684	36,684	36,684	26,684	26,684
Penny Rate in £	8.75p	8.75p	8.75p	9.00p	9.00p	9.25p	9.75p	10.00p
Penny Rate £51,073	85%	145%	94%	94%	68%	62%	55%	56%
I&E Balance as % of Expenditure	68%	101%	71%	67%	61%	55%	51%	51%

	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
New Works and Plant Account	App	Est	Estimated Out-turn					
	Budget	Out-turn	£	£	£	£	£	£
Income								
Transfer from I&E	-	20,000	20,000	-	-	-	10,000	-
Interest	200	-	-	-	-	-	-	-
Loan	100,000	-	400,000	-	-	-	-	-
Possible Grant Income	323,000	-	431,000	-	42,000	-	-	-
Total Income	423,200	20,000	851,000	-	42,000	-	10,000	-
Expenditure								
New 4x4 vehicle	-	-	-	-	-	-	20,000	-
Burringham PS Grant Adjustment	-	2,555	-	-	-	-	-	-
Flixborough PS Grant Adjustment	-	3,471	-	-	-	-	-	-
Ravensfleet PS Refurbishment	573,000	-	932,240	-	-	-	-	-
Ravensfleet to Susworth Strategic Study		12,332	-	-	-	-	-	-
Susworth PS Refurbishment	-	-	-	-	150,000	-	-	-
Total Expenditure	573,000	18,357	932,240	-	150,000	-	20,000	-
Surplus/(Deficit)	(149,800)	1,643	(81,240)	-	(108,000)	-	(10,000)	-
Balance Brought Forward	244,350	224,281	225,924	144,684	144,684	36,684	36,684	26,684
Balance Carried Forward	94,550	225,924	144,684	144,684	36,684	36,684	26,684	26,684

3.5 Schedule of Payments

3.5.1 List of Cheques

None to report.

3.5.2 List of Payments made direct from the bank account

Payments made directly from the bank account since those presented at the last meeting:

DATE	REF	PAYEE	DESCRIPTION	TOTAL	CHEQUE
					£
2017					
Oct	31st	-	NatWest	Bank Fees	19.25 *
Nov	7th	109/110	Watson Petroleum	Gas Oil	1,146.44 *
	9th	103	ADA	Conference Fees	134.40 *
		107	A Revill & Son	Relief Pumping Costs	457.20 *
		105	Controlstar Systems	Telemetry Maintenance Contract	1,146.00 *
		104	DC Bichan	Maintenance	3,196.56 *
		108	Evans Halshaw	Vehicle Part	29.93 *
		106	Interlec	Susworth PS - Electrical Maintenance	2,398.80 *
		-	HMRC	PAYE/NI	428.65 *
		-	Employee	Wages	1,254.05 *
		-	B&CE Holdings	Pension Contributions	28.03 *
	10th	49	Remote Asset Management Ltd	Vehicle Tracking	20.64 *
	14th	107	Fuel Genie	Fuel Account	156.00 *
		-	NatWest	Bankline Fees	24.50 *
	20th	115	Woldmarsh Produces Ltd	Supply to Black Bank PS	1,383.51 *
				Supply to Ravensfleet PS	1,417.75 *
				Supply to East Butterwick PS	258.76 *
				Supply to Susworth PS	462.73 *

				Supply to Lysaghts PS	849.23	*
				Supply to Burringham PS	661.79	*
				Supply to Jenny Hurn PS	405.67	*
				Supply to Flixborough PS	22.41	*
				Supply to Pauls Malt PS	42.00	*
				Supply to Whoofer PS	194.26	*
				Jenny Hurn PS - Meter Operator Service	168.00	*
				Flixborough PS - Meter Operator Service	168.00	*
				Black Bank PS - Meter Operator Service	168.00	*
				East Butterwick PS - Meter Operator Service	168.00	*
				Ravensfleet PS - Meter Operator Service	168.00	*
				Vodafone	85.71	*
				Membership Fees	185.96	*
	21st	112	Iris Business Software Ltd	Auto-enrolment Fees	14.78	*
		108	Iris Business Software Ltd	Open Payslips	7.39	*
	30th	-	NatWest	Bank Fees	7.00	*
Dec	7th	111	Danvm Drainage Commissioners	Loan Worker Monitoring, etc.	59.27	*
		122	Dexel Tyre & Auto Centre	Tractor Maintenance	84.00	*
		117	Grange Park	Meeting Expenses	75.00	*
		119,124	ID Spares & Services Ltd	Pumping Station Maintenance	1,842.95	*
		123	Integrated Utility Services	Lysaghts PS - Pump Maintenance	1,569.60	*
		120-1	W Barratt & Sons Ltd	Pumping Station Maintenance (Spraying)	1,200.00	*
		-	Employee	Wages	1,249.43	*
		-	HMRC	PAYE/NI	418.93	*
		-	B&CE	Pension Contributions	27.90	*
	11th	49	Remote Asset Management Ltd	Vehicle Tracking	20.64	*
	12th	125-6	Ebsford Environmental Ltd	Maintenance	43,513.77	
		113-4	JBA Consulting	Fee Accounts: -		
				BAP Implementation	445.20	
				Ravensfleet to Susworth Strategic Study	6,032.40	
	13th	128	Fuel Genie	Fuel Account	148.00	*
	15th	-	NatWest	Bankline Fees	23.60	*
	18th	118	Public Works Loan Board	Loan Repayment	37,899.09	*
	19th	130	Iris Business Software Ltd	Auto-enrolment Fees	14.78	*
		131	Iris Business Software Ltd	Open Payslips	7.39	*
	20th	127	Woldmarsh Produces Ltd	Supply to Whoofer PS	68.57	*
				Supply to Susworth PS	422.21	*
				Supply to Lysaghts PS	805.13	*
				Supply to Burringham PS	599.58	*
				Supply to East Butterwick PS	261.67	*
				Supply to Black Bank PS	302.72	*
				Supply to Flixborough PS	69.09	*
				Supply to Jenny Hurn PS	487.93	*
				Supply to Ravensfleet PS	744.88	*
				Vodafone	83.67	*
	29th	-	NatWest	Bank Charges	5.60	*
	2018					
Jan	4th	-	Employee	Wages	1,450.56	*
	8th	-	B&CE Holdings	Pension Contributions	33.30	*
			Total		117,246.26	
				* Total amount of direct debits and payments approved by the Clerk Only	67,254.89	

3.6 Automatic Enrolment

The Board currently make a 1% contribution to the employee's Pension Scheme. Under Government guidelines the minimum Employer contribution level will increase to 2% from 6th April 2018.

The Board are therefore asked to determine their contribution level for the forthcoming year.

For Members information the following table indicates the minimum contribution levels payable:

<u>Date</u>	<u>Employer Minimum Contribution</u>	<u>Total Minimum Contribution</u>
to 5 April 2018	1%	2% (including 1% employee contribution)
6 April 2018 to 5 April 2019	2%	5% (including 3% employee contribution)
6 April 2019 onwards	3%	8% (including 5% employee contribution)

If the Board agree to contribute the minimum of 2% as a result the Board's employee will have to contribute 3% as the Total Minimum Contribution level set by Government is 5%.

4. Engineer's Report

Recommendations:

- To note the information within this report
- To resolve Catchwater Drain maintenance issue (Item 4.1.2)

4.1 Asset Management

4.1.1 Ordinary Watercourses

4.1.2 Main River

Catchwater Drain, Gainsborough

A Landowner approached the Environment Agency with a view to undertaking maintenance work on the above. The Agency has no monies available to expend on low priority systems not protecting people and homes. The Landowner queried undertaking the work himself however this work is not exempt from permitting and requires a bespoke permit.

The Board has been approached to undertake this work which will deliver water within the Catchwater Drain high carrier system to Ravensfleet pump station more quickly. The Board likely will be required to follow the same procedure including:

- complete a risk assessment
- a management system describing method of work and management of risk
- plans and documents describing activities and supporting information
- completion of bespoke permit application form
- payment of Environment Agency fees and declarations

Absence of maintenance work on this system is considered Improvement Work and is therefore subject to the EIA (Land Drainage Improvement Works) Regulation 2017. Compliance with these regulations will require surveys, including for notable species, production of an environmental assessment and publication of Notice in newspapers, all with an associated additional cost.

It is unlikely any PSCA monies will be available to undertake this work through a PSCA.

4.1.3 Ravensfleet Pumping Station

A meeting has been arranged with the Environment Agency to discuss the funding opportunities for the scheme as the hydraulic modelling has identified that the scheme has the potential to be 100% funded by Grant in Aid with only 3% of the identified damages being used to justify the scheme compared with estimated costs. This leaves 97% of benefits for any future Main River defence works led by the EA or surface water flooding schemes led by the LLFA.

Diesel pumps were in operation over the Christmas period until Tuesday 16th January due to debris trapping open the flap valve on the Main River reservoir between the station and the River Trent. The EA attended site before and after the Christmas period and remove the blockage returning the flap valve into it closed/seated position enabling the electric pump to put back into normal operation. Moving forwards, the new scheme will look to utilise direct discharge into the River Trent negating the need for 'manning' the diesel pumps as a result of a blockage in the flap valve.

4.1.4 Jenny Hurn Pumping Station: pump refurbishment

Fenflow (formerly Shoebridge) have been appointed to progress the refurbishment of both electric submersible pumps, however during site visits undertaken to prepare the required Construction Phase Plan for the works, it has become apparent their initial proposed method of working isn't feasible. A revised scope of works is currently awaited which is likely to have cost implications, these will be shared with the Chairman and a decision reached on value for money and risk.

4.2 Planning, pre-application advice and consents

4.2.1 Planning Applications

Planning applications have been reviewed on a weekly basis and 5no. application has required comment on behalf of the board between 28 October 2017 and 15 January 2018.

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

0 no. consent have been issued on behalf of the Board between 28 October 2017 and 22 January 2018.

4.2.3 Extended District Consents (Land Drainage Act 1991 Section 23)

No consents have been issued on behalf of the Board between 28 October 2017 and 22 January 2018

5. Environmental Report

Recommendation:

- Note the information contained in this report

5.1 Legislation

5.1.1 Biodiversity Action Plan 2015-2020

Protected species surveys as part of BAP implementation will recommence late spring depending upon weather conditions

5.2 Defra

5.2.1 25-year Environmental Plan

Released on 11 January 2018 the plan sets out the Government approach to protecting and enhancing landscapes and habitats in England for the next generation. A link is available on the Shire Group Boards section of the website under News. Chapter 1: Using and managing land sustainably includes protection of peatlands, expanding woodland and reducing the risk of harm from flooding including greater use of natural flood management solutions.

6. Health and Safety Report

Recommendations:

- To note the information contained in the report

6.1 Board Employees

6.1.1 Accidents and Incidents

There are no accidents or incidents to report involving either the Board employee or contractors.

7. Representation

The Board is represented at several fora:

Environmental	Flood Risk Management	Other
Humberhead Levels Executive	Humber Flood Risk Management Steering Group	ADA Technical & Environment Committee
Humberhead Levels Partnership Group	Comprehensive Review Humber FRMS working group	ADA Policy & Finance Committee
EA/ADA Eel Liaison Group		

8. Date of next meeting

21 May 2018, 12 November 2018.

9. APPENDIX A: Risk Register

A copy of the Risk Register can be found over the following pages.

Item	Grade	Impact	Likelihood	Ref	Risks	Mitigation and Action Required	Last Reviewed
Governance - Members & Management							
Question 1 - Does the Board Lack Direction?							
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.	15/11/2017
1. b)	B	High	Low	1.2	Board lacks sufficient funds to meets its obligations.	Budgets follow sound logical principles. Approved by each IDB.	15/11/2017
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.	15/11/2017
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 are available on the Shire Group website) Feedback to board of praise /criticism via member. Complaints procedure documented and available on website.	15/11/2017
Members/Officials							
Question 2 - Do officials/members lack relevant skills or commitments?							
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. Format of the nomination papers is prescribed by the LDA 1991 and copies are available on the website.	15/11/2017
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	15/11/2017

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. All updates reported to members in their meeting papers. Training seminars on legislation, responsibilities, ethics, etc. are being delivered. Comprehensive modular training scheme to be added to the website (target date 31.3.2018)	15/11/2017
Question 3 - Does the Board lack appropriate composition?							
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.	15/11/2017
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 compiled and kept up-to-date.	15/11/2017
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. Agenda for meeting set by Clerk and Chairman. Minutes of meetings scrutinised & approved by Board.	15/11/2017
3. d)	B	High	Low		As 3 b) above.	As 3 b) above.	15/11/2017
3. e)	D	Low	Low		Reviewers not certain of legality of expense payments made to members.	Not for Board meetings, conferences only, as per LDA.	15/11/2017
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, subject to ministerial approval.	15/11/2017
Management							
Question 4 - Is There an Adequate & Informed Organisational Structure?							
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.	15/11/2017
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 (target date 31.3.2018)	15/11/2017
4. c)	D	Low	Low		Staff problems and organisational anomalies not addressed.	JBA procedures. IDB Division established in line with DEFRA requirements.	15/11/2017
4. d)	D	Low	Low		Conflicts of interest not detected and not addressed.	JBA procedures. IDB Division established in line with DEFRA requirements.	15/11/2017

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.	15/11/2017
Question 5 - Is there a lack of succession planning? Can experience and skills be lost, and corporate contract/operational impact be lost?							
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.	15/11/2017
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.	15/11/2017
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.	15/11/2017
Question 6 - Is the reporting process adequate?							
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.	15/11/2017
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.	15/11/2017
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	15/11/2017
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.	15/11/2017
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.	15/11/2017
D							
Operational Risk							
Question 7 - Are there any risks associated with the provision of services?							
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.	15/11/2017
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.	15/11/2017
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.	15/11/2017
Question 8 - Is there a risk of supplier dependency?							
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.	15/11/2017

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. List of the Board's approved contractors on Health & Safety website.	15/11/2017
8. c)	B	High	Low	8.1	Inadequate level of service rendered and/or unnecessary delays.	JBA administers all tendering processes and timing.	15/11/2017
Question 9 - Is there a risk that capital resources are under utilised?							
9. a)	B	High	Low	8.2	Problems not detected and corrected in a timely manner.	Asset Management program in place.	15/11/2017
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.	15/11/2017
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.	15/11/2017
9. d)	B	High	Low	8.2	Security issues not detected and corrected in a timely manner.	Boards with plant have secure depots. Site staff bring any potential security issues to the officers' attentions immediately. Intruder alerts detected automatically and reported immediately through the telemetry system.	15/11/2017
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.	15/11/2017
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?							
10. a)	D	Low	Low	10.1	New staff appointed who lack relevant training, competence, etc.	Interview questionnaires used.	15/11/2017
10. b)	B	High	Low	10.2	Employee dishonesty with regard to qualifications and previous experience may go undetected.	Written references and copies of relevant certificates obtained when new employees are engaged.	15/11/2017
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.	15/11/2017
10. d)	D	Low	Low		Opportunities to strengthen links with workforce misses. Also, to avert future disputes & generally improve workplace satisfaction missed.	6-monthly review for new starters. Annual appraisal process for workforce.	15/11/2017
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.	15/11/2017
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.	15/11/2017
10. g)	D	Low	Low	10.5	No clarity as to each employees roles and responsibilities.	Job specifications in place for recent appointments.	15/11/2017
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.	15/11/2017

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.	15/11/2017
Question 11 - Are there risks of loss of information and continuity?							
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> .	15/11/2017
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.	15/11/2017
11. c) Is there Insurance cover? Is it regularly reviewed?	B	High	Low		As 9. e) above.	see 9. e) above.	15/11/2017
Question 12 - Is there a risk of lack of awareness of procedures and policies?							
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 (target date 31.3.2018)	15/11/2017
D							
Financial Risks							
Question 13 - Is there a risk of loss of control through an inadequate budget process?							
13. a) Is there a budget linked to planning and objectives?	B	High	Low		As 1. b) above.	See 1. b) above. 5-year or 25-year budget forecasts presented at Board meetings.	15/11/2017
13. b) Is the budget regularly reviewed and monitored?	B	High	Low		As 1. c) above.	See 1. c) above.	15/11/2017
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.	15/11/2017
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).	15/11/2017
Question 14 - Is there a risk of lack of liquidity due to inadequate reserves?							
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 is unable to remain solvent following a major undesirable event.	The Board have a reserve policy in place, and take it into consideration when setting the budget every year.	15/11/2017
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.	Policies reviewed periodically, typically 3 or 5 years.	15/11/2017
14. c) Is there a fair reflection of the financial integrity of the Boards reserves?	B	High	Low		Actuality of the Board's financial performance 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. This is ongoing.	15/11/2017
External Risks / Compliance with the Law							
Question 15 - Is there a risk associated with non-compliance with the law or other external factors?							
15. a) Is there a policy of review of the legal requirements extending to the organisation/professional opinion sought re:							
<ul style="list-style-type: none"> ● Employment Law? ● Human Rights Legislation? 	B	High	Low		Board in breach of its statutory obligations. Same	Equal Opportunities policies in existence. All applicable law complied with.	15/11/2017

Risk Register

Item	Grade	Impact	Likelihood	Ref	Risks	Mitigation and Action Required	Last Reviewed
<ul style="list-style-type: none"> Health & Safety? Criminal Acts? 					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.	15/11/2017
Specific Board Risks							
Question 16 - Are there any specific Board Risks?							
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 same 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	15/11/2017
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	15/11/2017
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	15/11/2017
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	Reduce reliance on this income when budgeting and treat income as bonus and spend on works at end of year.	15/11/2017
16 f) Failure of Board Asset	B	Low	High		Failure of asset adversely affects the conveyance of water through the Board's District	Board to instigate a proactive inspection regime to mitigate against unplanned failures.	15/11/2017

10. APPENDIX B: Minutes of Internal Audit Review meeting

Held at JBA Consulting, Epsom House,

Monday, 8 January 2018

Present:	Mr Adrian Black (AB)	Scunthorpe & Gainsborough WMB
	Mr David Hinchcliffe (DH)	Black Drain Drainage Board
	Mr Martin Oldknow (MO)	Black Drain Drainage Board
	Mrs Gillian Ivey (GI)	Danvm Drainage Commissioners
	Mr Andy Cane (AC)	Brodericks GBC

In Attendance on behalf of JBA Consulting:

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

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

1.1 Introductions and Apologies for Absence

The members of the panel briefly introduced themselves. Apologies for Absence were received from Mr Christopher Day and from Mrs Rosemary Webster.

1.2 Minutes of the Last Meeting / Matters Arising

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

1.3 Risk Register

The panel discussed the register and the format generally. GI enquired whether the Board-specific risks should be presented along with the main Register. MJ said the full version, including Board-specific risks would be presented to the individual Boards at the coming round of meetings.

MO noted the document is bulky and it is necessary to become embroiled in it in order to understand it. He asked if major risk areas could be separated out. DB said the officers had intended to develop the register but were unable to do so owing to time constraints. MO said it would be a good way to focus members' attention on the most important items.

1.4 Internal Auditor's Report

The internal auditor reviewed the work undertaken on the 2016/17 accounts. In general, the internal auditor was satisfied with how things were run and said there were no major concerns. The panel then discussed the following points:

Supplier Bank Details and Associated Fraud Risk

AC gave the panel a summary of his views on this issue. He pointed out it would only take one or two instances of fraud to create major issues for the Board, even if the cash sums involved were relatively insignificant. He discussed instances he'd encountered, in his general work as auditor, of email accounts being hacked and the associated risks. He said once the electronic payment is submitted, the process is final and you may not have the recourse that exists with cheque payments. The banks' own fraud departments are often unable to trace monies once transactions are completed.

AB said on receipt of a notification of a change of supplier bank details, the finance officers should contact the supplier by telephone to confirm. MJ said this was standard procedure, but that the telephone contact details should be taken from existing records, not those on the received correspondence. MO suggested a £ threshold might be set, beyond which the chairman's approval is required. AB said such a level would depend on the size the Board. DH asked if creditors could be approached to supply trading refers as evidence of their probity. MJ said suppliers sometimes provide scans of blank cheques, credit slips, etc. as evidence of their bank details.

Decision Making & Member Attendance

The panel discussed this perennial issue at length. GI asked the Internal Audit whether he was suggesting any of the decisions made were incorrect. AC affirmed absolutely not, it is purely the make-up of the Board and the Member representation from a decision-making point of view. GI

and AC discussed a point raised in the Danvm Drainage Commissioners' report regarding a specific meeting. AC said he well understood there are some instance where non-attendance is unavoidable, and it was more persistent non-attendance that concerned him. GI said she had taken up the issues of non-attendance with Selby DC. The panel also discussed the '3 strikes and you're out' approach.

DH observed that it is difficult to generate interest in drainage authority affairs. It tends to be only in the aftermath of serious events such as flooding that the public take interest. MO informed the panel that Doncaster MBC often struggle to appoint Members. GI said that Selby DC are not willing to appoint officers, preferring elected councillors instead. But with a pool of only 30 to draw from, this was often difficult. MJ asked if the Clerks could do anything more to counter the problem. MO said that it is not possible to force Members to attend. The panel also discussed the information presented in the minutes, with some meeting papers containing schedules of attendance at recent meetings.

AC said the May meetings seem to be particularly problematic. MO pointed out this is a busy time for local authorities, particularly during an election year. DH said that Drainage Boards are under pressure to complete their accounts during this period.

1.5 External Auditor's Report

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

Asset Valuations

The panel discussed the issues raised and in particular, the increases in the insurance values relating to pumps. MJ explained that the increases were to reflect the increased cost of replacement in light of eel regulations. He also suggested it was better to overvalue than undervalue your assets. DH said the values needs to be accurate, and that revaluations should be carried out every year. The finance officers agreed they would formalise the whole valuation process. AB said it was important the Engineers were involved as they have good knowledge of long-term replacement costs, etc. GI said it was important to look at the long-term budget and try to extend the life of pumping stations wherever possible. DH agreed.

Registers of Members' Interests

MO said it can be difficult to get Members to keep their registers up-to-date. GI asked where would be the best place to get reliable advice on declarations of interest during meetings. MO suggested training from the local authority might help. AB pointed out that elected members have good local knowledge. After discussion, it emerged that members of the panel had differing views on what constituted a declarable interest, whether Board Members should be asked to leave the room if they were perceived as conflicted over an issue and also whether they should be allowed to vote on such an issue. AC's view is that once a Member has declared an interest, the Board should then decide if the Member is conflicted, and that problems arise when a Member fails to declare an interest. MO said it was possible Members did not realise they held a declarable interest. MO said that up until recently, it was accepted that membership of a drainage board was in itself an interest. GI said the critical thing is how these matters would appear from the point of view of an outsider.

1.6 Any Other Business

Nothing to report

1.7 Date of Next Meeting and Close of Meeting

The next meeting of the panel will be held on Monday, 26 November 2018 at 10.00am at the offices of JBA Consulting, Epsom House, Chase Park, Redhouse Interchange, Doncaster, DN6 7FE.

MJ thanked the members for attending. The meeting was closed at approximately 10:55am



Shire
Group of IDBs

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

T: 01302 337798

info@shiregroup-idbs.gov.uk
www.shiregroup-idbs.gov.uk

JBA Consulting has offices at

**Coleshill
Doncaster
Edinburgh
Haywards Heath
Limerick
Newcastle upon Tyne
Newport
Northallerton
Saltaire
Skipton
Tadcaster
Wallingford
Warrington**

