



River Lugg
Internal Drainage Board

Virtual Meeting

Microsoft Teams

Log-in Instructions to be issued nearer the date

Meeting Papers

Wednesday 26 January 2022, 11:00



Shire

Group of IDBs

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Meeting Papers

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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.

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1. Governance

1.1 Declaration of Interest

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

1.2 Apologies for Absence

1.3 Chair's Announcements

1.4 Minutes of the meeting held on 24 November 2021

Members Present:

Elissa Swinglehurst	Chair
Charles Pudge	Vice Chair
Malcolm Davies	MD
Noorissa Davies	ND
John Hardwick	JH
Kenneth Mitcheson	KM
Roger Phillips	RP
David Summers	DS

In attendance on behalf of JBA Consulting

Officer:	Craig Benson	Clerk
	Anne-Clare Landolt	Engineer
	David Blake	Finance Officer
	Janette Parker	Rating Officer

Members of the Public in Attendance

Jenni Gowan
Lyn Langford

Declaration of Interest

2021.67 None.

Apologies for Absence

2021.68 Apologies were received from Richard Corbett, John Cawley, Sebastian Bowen, Dick Makin, Toni Fagan, Paul Andrews, Zita Chilman and Peter Jinman. Late notifications of apologies were received from John Stone.

Chairs Announcements

2021.69 A minute silence was observed by Members in memory of Les Harrison who had served the Board as Engineer for many years.

Minutes of the Meeting held on 12 May 2021.

2021.70 Minutes of the meeting were considered. **Chair proposed to sign as true and correct record, all members in agreement.**

Matters arising not discussed elsewhere on Agenda

2021.71 None.

Complaints/FOI/EIR requests

2021.72 None received.

CLERK REPORT

2021.73 Policy – Byelaws - Clerk advised that a minor amendment had been made to the Byelaws in respect of environmental legislation which required Board approval. **Approval proposed by Vice Chair and seconded by MD.**

2021.74 Legislation – Red Diesel – Clerk advised that at the recent ADA branch meeting Innes Thompson had confirmed that it was unlikely the industry would be given an exemption but ADA would continue to lobby for. Chair informed members that she had written to her MP on the matter.

2021.75 Environment Agency – Draft Flood Risk Management Plans – Clerk encouraged members to look at the public consultation and comment and confirmed that he would be submitting a response on behalf of the Board. Chair requested sight of the response before this was sent.

2021.76 Association of Drainage Authorities – Information noted. Clerk added that ADA would like to re-introduce demonstrations showing plant and machinery and that the first of these would likely be in 2024 and a site had been identified in Boston linked with Dyson farms. He added that members would be kept informed of progress. Chair added that the conference had been interesting and worthwhile and that keeping it online made it more accessible. Clerk confirmed that the ADA Marches Branch had met yesterday and were looking to meet more often.

2021.77 Training – Clerk referred to list of training provided in meeting papers and said would liaise with Chair to arrange what was felt most suitable adding that a half hour would be added at the end of a Board meeting to accommodate the training. Chair stated that Riparian and Environmental Responsibilities would be the most beneficial with DS concurring in respect of Riparian Responsibilities as the NFU had been telling farmers it was a “grey area”.

FINANCIAL REPORT

2021.78 Rating Report – RO advised that 85.1% of drainage rates had been collected to date with a revised outstanding balance of £16,440. She added that there had been 64 ratepayers with arrears at the start of the year with a total of £24,521 outstanding but, as per the debtor schedule issued to members today this debt had now been reduced to £16,152 which was a considerable reduction. RO then confirmed that of the outstanding balance £15,342 would be pursued via Solicitors with letters being issued shortly which should result in a further reduction of the balance. RP advised that there were a few of the debtors within his area and he would approach these to politely remind them before the end of the week. DS queried the cost of legal action stating that Solicitors could be very expensive. RO confirmed the cost would be £15 for each letter then advised the situation would be reviewed in January but before any further action was taken costs would be obtained from the Solicitor and referred to the Chair before proceeding.

2021.79 Refund for Overpayment - RO took members through the report in the papers. **Approval proposed by Vice Chair and seconded by DS.**

- 2021.80** External Audit – FO confirmed that his was now complete and had been signed off with no concerns raised.
- 2021.81** Internal Audit Review Meeting – FO confirmed this had been held on Monday and was very productive with attendees discussing ideas relating to legislation and controls to reduce risk. Clerk added that the Risk Register was reviewed with the Internal Auditor and would be presented to members at the next meeting for approval.
- 2021.82** Budget Comparison for the Year Ending 31 March 2022 – FO took members through the report advising that 96% of income had been collected. Vice Chair advised that he had been unable to find the original agreement with National Rail in the Boards archive. FO advised that there were other avenues the Board could pursue as they had made a payment every year for the last 50 years so was confident that money would be received. FO then confirmed that income was where it was expected to be but that there was likely to be a positive variance of around £8,000 due to a budgeted underspend for drain maintenance. He added that admin costs were slightly under where we would expect to be at this point in the year but this was due to the global pandemic. A reduction in travel costs and the virtual meetings held have led to a cost saving. He advised that this could be a cost saving moving forwards with a mix of virtual, hybrid and in person meetings held. Chair confirmed she was considering all possibilities as virtual meetings certainly had an advantage with economic savings and in respect of time spent. RP added that at least one in person meeting should be held in order to retain good personal relationships. Clerk concurred with comments stating that an in person meeting would be beneficial if linked to a tour of inspection. DS agreed that the Board needed to physically see what it was managing. FO concluded that the budget was in line with where it should be and that positive variances were foreseen.
- 2021.83** Five Year Budget Estimate – FO took members through the report confirming the Board was in a healthy position with reserve levels above 60% and that with the intention to level out the rates then no intended increases were proposed at this time. He added that red diesel costs were not included at this time but that options for the Board to consider would be brought to the next meeting. RP suggested a caveat be placed on the Estimates as assessments on inflation were optimistic and would be lucky to maintain the level of stability. FO stated that a larger buffer could be arranged if required but that it was a live document and information was added as it was received. Vice Chair asked if there was any guidance from the Auditor on what the recommended reserve level should be as there was no need to hold ratepayer money unnecessarily. FO advised both the Auditor and DEFRA stated an ideal reserve level was 30% of expenditure, the Clerk added that all IDBs were different and had different maintenance needs. He continued that a 25-30% level was the minimum level advised by DEFRA. He suggested the reserve balance should be slightly higher so that the Board could potentially operate for a year with no income and that the current 63% was sufficient based on current maintenance expenditure. FO proposed a reserve policy be created and brought to the next meeting. Chair concurred.
- 2021.84** Schedule of Payments – **Approval proposed by DS, seconded by MD.**
- 2021.85** Chair thanked FO and RO for all work done to date on the Board's finances.

ENGINEERS REPORT

- 2021.86** Eng. advised the report was for information adding that in respect of maintenance all flailing was now completed.
- 2021.87** Tender for Service Maintenance Contract – Eng. advised that the evaluation meeting was to be held on Monday 29th November and sought agreement from the Board for authority to be given to the panel to decide on a successful contractor. **Approval proposed by RP and seconded by JH.** DS stated that from the material on the tender one party said would

look at maps when the tender was awarded which was not sensible and should be looked at before. Eng. confirmed that maps had been supplied as part of the tender process.

2021.88 Lugg Rhea – Eng. provided update confirming that a meeting was being held on Friday 26th November with HWT and contractors to walk the area and decide on appropriate works. JH stated that historically the HWT had always denied access to the Board so queried what had changed. Eng. advised that a change of personnel had occurred and there was a consensus that drainage would be a good idea. She added that consent would be required from Natural England as it was a SSSI site. JH stated that Hampton Bishop Council would welcome any works due to the flooding experienced in the area and stated that it was good that we were now in discussions with them.

2021.89 Planning Applications – Eng. advised members that a proposed Solar Farm was being considered which would affect the watercourses but that comments still had to be made. Chair queried if issue with Herefordshire Council and Board not receiving consultations had been resolved. Eng. confirmed that she had contacted them and had started to receive again so hopefully the issue was now sorted.

2021.90 Chair referred to report of access issues where the contractor had been denied access in particular with respect to wildflowers and the environmental farming scheme and said that a conversation was needed with the EA and DEFRA re derogation so that works could continue without penalty for the landowner. Eng. advised she would have a discussion with the landowner first to assess the situation.

2021.91 RP stated that Eardisland needed to be brought to the Eng. attention and that 24 houses had flooded in February 2020. He then asked if Eng. was aware of ‘Wild in the Curl’ project - [Go Wild In The Curl | The Wye and Usk Foundation \(wyeuskfoundation.org\)](https://www.wyeuskfoundation.org) to improve water quality and biodiversity adding that he would be happy to arrange a walk around with the Eng. Eng. confirmed she had been in correspondence with Eardisland PC and was planning to visit Southalls Brook and meet with the Clerk. Engineer had mainly been reacting to what had been raised recently but would be appreciative of the opportunity moving forwards.

2021.92 Vice Chair commented with regards Wellington Brook that Board member Dick Makin had asked that thanks from the people of Wellington was mentioned with regard the works completed by the Board and its contractor.

2021.93 Chair referred to Item 4.1.5 and series of suggestions proposed by Engineer that sought Board agreement to. **All members in favour.**

2021.94 Chair thanked Engineer for diligent and sensitive way she had been dealing with all the issues raised.

HEALTH, SAFETY AND WELLBEING

2021.95 Information noted.

ENVIRONMENTAL ADVISER’S REPORT

2021.96 Information noted with Clerk adding that the Board’s representative, Mr Watson, had suggested that phosphate testing be undertaken. Chair suggested that nitrates were tested for as well and to triangulate with other parties undertaking testing so as not to double up.

2021.97 Clerk advised it was the intention to encourage buffer strips alongside watercourses to enable the Board’s contractor to work at any time of year which would reduce costs as not having to move around so much or wait to undertake maintenance based on what crop was in the field. He added that a newsletter would be issued to ratepayers with thoughts to

consider which would be prepared and brought to the next meeting. DS confirmed he was 100% in favour of this suggestion.

2021.98 Environment Bill – Clerk confirmed this had now received Royal Assent with a duty placed on water companies in respect of sewage. DS queried the cost of enforcement but the Clerk advised that the EA was responsible in respect of pollution incidents. Clerk added that the Bill also gave Boards the opportunity to revalue all the land within its district and bring development up to date with the additional option of extending its boundary so as to have more control over what happens with the catchment.

2021.99 Chair requested that issue with Black Poplars be kept on list for action.

2021.100 Chair mentioned invasive species and suggested Contractor or any others out in the district should report or pull out and that homeowners needed to be made aware as it had been noted that some were being grown in gardens. Clerk advised that there was an App available called Plant Tracker which enabled reports on sighting to be uploaded which would then go to a National Database.

Any Other Business

2021.101 None.

Date of Next Meetings

2021.102 As noted in the papers, the next planned for 19th January 2022.

2021.103 Chair thanked all for attending and closed the meeting at 12.27pm.

1.5 Matters arising there from not elsewhere on Agenda

1.6 Complaints/FOI/EIR requests

None received.

2. Clerk report

Recommendations:

- To note the information contained in this report

2.1 Policy

Nothing to report.

2.2 Legislation

2.2.1 Finance Bill

Red Diesel – Discussions have been on going with ADA, IDBs and the Treasury. This has now resulted in a change in the interpretation of the exemption clauses. More information has been supplied to ADA to support the IDBs case that they should have the same or similar exemption as the agricultural industry.

Attached at Appendix A is the latest correspondence that has been received from ADA.

2.3 Association of Drainage Authorities

Nothing to Report.

2.4 Training

A riparian responsibilities training session will be held at the end of the meeting.

3. Financial Report

Recommendations:

- To note the information contained in this report
- To consider the request to have land removed from Rating 3.1.1
- To approve the Risk Register
- To approve the Estimates for the Year Ending 31 March 2023
- To approve the schedule of payments made since the previous meeting
- To approve & adopt a reserve policy

3.1 Rating Report

Details of the Rates and Special Levies issued, and payments received up to and including 12 January 2022: -

	£	£
Balance Brought forward as at: 1 April 2021		13,576.82
2021/2022 Drainage Rates and Special Levies		
Drainage Rates		96,142.64
Special Levies		
Herefordshire District Council	138,007.00	138,007.00
Total Drainage Rates Due		<u>247,726.46</u>
Less Paid: -		99,268.59
Drainage Rates		
Herefordshire District Council	138,007.00	138,007.00
Total Drainage Rates Paid		<u>237,275.59</u>
Rate Adjustments		<u>174.46</u>
Paid Refund		<u>-263.25</u>
Balance Outstanding as at: 12 January 2022		<u>10,362.08</u>

3.1.1 Request to remove Land from Rating

A request has been received from a ratepayer for the Board to consider removing certain areas of land from being subject to an annual drainage rate charge. The request can be seen below.

Further to our recent telephone conversation, I write to ask that the Board considers a request under Section 47 (1) & 47 (3) of the Land Drainage Act 1991 for the following land to be exempted from drainage rates: -

Field References: 4770, 5873, 5558, 2257,5445,7737, 0022

The reasons being: -

1. The flooding of the Pinsley Brook due to blockages and obstructions caused by lack of maintenance. This has raised the level of the brook resulting in frequent flooding and causing crops to fail. Fields have already flooded this year.

2. Arable field references 4770, 5873 and 5558 are drained but the level of stagnation in the Pinsley Brook has resulted in these fields becoming a quagmire in winter, resulting in crop failure.

In field 2257 Herefordshire Council are attempting to relocate the footpath away from the brook.

While writing, I would mention that the Board only accepts responsibility for "odd" sections of the main Kingsland drainage ditch which passes through SO 5468 and this does not seem logical.

I would also add that the lack of maintenance to the Blue Ditch on Mousenatch Lane, has in the past caused flood water to flow through the main buildings causing the loss of many tonnes of corn in the corn shed.

The Clerk has responded to the email by confirming it would be discussed at the Board meeting and pointed out the Board's duties under the Land Drainage Act. The Engineer is arranging to meet the ratepayer on site and will give Members an update at the meeting.

3.2 Audit

3.2.1 Internal Audit

Minutes of the Internal Audit Review held on Monday 23 November 2021 via Microsoft Teams are available at Appendix B for review.

3.2.2 External Audit

Nothing to report.

3.2.3 Risk Register

The Risk Register is attached at Appendix C and requires the Board's approval.



3.3 Rates & Special Levies for the Year Ending 31 March 2023

River Lugg IDB	0	0	1	2	3	4	5
Revenue Account	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Approved Budget	Estimated Out Turn					
	£	£	£	£	£	£	£
Income							
Drainage Rates	96,140	96,137	96,531	96,531	96,531	96,531	96,531
Special Levies	138,008	138,008	147,589	147,589	147,589	147,589	147,589
Contribution to Maintenance	2,940	3,100	3,100	3,100	3,193	3,193	3,193
Bank Interest, Other Contributions	175	275	250	250	250	250	250
Foreign Water Contribution	17,922	17,922	17,922	17,922	18,460	18,460	18,460
Total Income	255,185	255,442	265,392	265,392	266,023	266,023	266,023
Expenditure							
Flood Defence Levy	17,922	17,922	17,922	17,922	18,460	18,460	18,460
Maintenance of Drains	150,000	141,038	150,000	152,250	154,534	156,852	159,205
Additional Maintenance	-	-	-	-	-	-	-
Biodiversity Action Plan- Ecological Consultant	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Management Services	55,700	55,700	57,093	57,949	58,819	59,701	60,596
Administration	20,550	17,188	16,339	16,799	17,273	17,762	18,264
-Tender for Administration	6,000	6,000	-	-	-	-	-
-Audit	2,000	2,000	2,000	2,060	2,122	2,185	2,251
-Insurance	2,400	3,077	3,154	3,249	3,346	3,447	3,550
-Policy & Strategic Consultation	3,250	1,250	1,250	1,288	1,326	1,366	1,407
-Subscriptions & Conferences	3,300	2,700	4,500	4,635	4,774	4,917	5,065
-Office Expenses	2,750	2,161	4,435	4,568	4,705	4,846	4,992
-District Inspections	850	-	1,000	1,000	1,000	1,000	1,000
Total Expenditure	251,172	238,848	248,354	251,921	256,085	259,774	263,525
Surplus/(Deficit)	4,013	16,594	17,038	13,471	9,937	6,249	2,498
Balance Brought Forward	125,228	141,870	158,464	175,502	188,973	198,910	205,159
Balance Carried Forward	129,241	158,464	175,502	188,973	198,910	205,159	207,657
Penny Rate in £	9.00p	9.00p	9.00p	9.00p	9.00p	9.00p	9.00p
Reserve Level (%)	51%	66%	71%	75%	78%	79%	79%
Rate Av £1,074,190							
Levy Av £1,545,410							

3.4 Five Year Budget Estimate

River Lugg IDB	0	0	1	2	3	4	5
Revenue Account	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Approved Budget	Estimated Out Turn					
	£	£	£	£	£	£	£
Income							
Drainage Rates	96,140	96,137	96,531	96,531	96,531	96,531	96,531
Special Levies	138,008	138,008	147,589	147,589	147,589	147,589	147,589
Contribution to Maintenance	2,940	3,100	3,100	3,100	3,193	3,193	3,193
Bank Interest, Other Contributions	175	275	250	250	250	250	250
Foreign Water Contribution	17,922	17,922	17,922	17,922	18,460	18,460	18,460
Total Income	255,185	255,442	265,392	265,392	266,023	266,023	266,023
Expenditure							
Flood Defence Levy	17,922	17,922	17,922	17,922	18,460	18,460	18,460
Maintenance of Drains	150,000	141,038	150,000	152,250	154,534	156,852	159,205
Additional Maintenance	-	-	-	-	-	-	-
Biodiversity Action Plan- Ecological Consultant	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Management Services	55,700	55,700	57,093	57,949	58,819	59,701	60,596
Administration	20,550	17,188	16,339	16,799	17,273	17,762	18,264
-Tender for Administration	6,000	6,000	-	-	-	-	-
-Audit	2,000	2,000	2,000	2,060	2,122	2,185	2,251
-Insurance	2,400	3,077	3,154	3,249	3,346	3,447	3,550
-Policy & Strategic Consultation	3,250	1,250	1,250	1,288	1,326	1,366	1,407
-Subscriptions & Conferences	3,300	2,700	4,500	4,635	4,774	4,917	5,065
-Office Expenses	2,750	2,161	4,435	4,568	4,705	4,846	4,992
-District Inspections	850	-	1,000	1,000	1,000	1,000	1,000
Total Expenditure	251,172	238,848	248,354	251,921	256,085	259,774	263,525
Surplus/(Deficit)	4,013	16,594	17,038	13,471	9,937	6,249	2,498
Balance Brought Forward	125,228	141,870	158,464	175,502	188,973	198,910	205,159
Balance Carried Forward	129,241	158,464	175,502	188,973	198,910	205,159	207,657
Penny Rate in £	9.00p	9.00p	9.00p	9.00p	9.00p	9.00p	9.00p
Reserve Level (%)	51%	66%	71%	75%	78%	79%	79%
Rate Av £1,074,190							
Levy Av £1,545,410							

3.5 Schedule of Payments

All payments made since those reported at the previous meeting are shown below.

DATE		REF	PAYEE	DESCRIPTION	TOTAL
					PAYMENT
2021					£
Nov	23rd	18	John Meredith Plant Hire	Maintenance	18,990.55
		19	JBA Consulting	Management Services - October 2021	5,570.00
Dec	15th	23	Towergate Insurance Brokers	Insurances	363.73
	22nd	22	Schofield Sweeney	Legal Fees - Rate Demands	324.00
		21	JBA Consulting	Management Services - November 2021	5,872.46
		24	John Meredith Plant Hire	Maintenance	4,079.69
			Total		35,200.43

3.6 Reserve Policy

The Reserve Policy is attached at Appendix D and requires the Board's approval.

4. Engineer's Report

Recommendations

- To note the information contained in this report
- Agreement from Board on award of Service Maintenance Contract

4.1 Water Level Management

4.1.1 Maintained Ordinary Watercourses

Spend to 31 December 2021: £98,113.

Flailing

Flailing of watercourse banks completed 18 November. 90% of 2021 mowing programme completed.

Other works

Desilt / de-weed Little 160 m section Lugg Kymin section at Westhide.

Desilt / de-weed and removal of debris / rubbish 600m section of Leominster compensation ditch within industrial estate.

Tree removals on Little Lugg at Withington Eau, Little Lugg Kymin at Withington Marsh and Lock Road.

De-weeding and bankside vegetation management 320m section in Wellington - upstream and downstream of A49 bridge, upstream of ford, removal of debris in front of small bridge at Bridge Farm.

Check through of critical screens and culverts within the district.

Contractor did not start on any of the winter maintenance works until December. This will increase the underspend as reported at the last Board meeting as not as much of planned works will be delivered as anticipated. Update will be given at the meeting.

Contractor Access Issues

There was a fallen tree in Wellington on the section downstream of Mill Road. When the engineer contacted the owner of the arable fields as a matter of courtesy to let him know that the IDB would be accessing the brook to remove this she was informed that a 12 meter strip coming out from the field boundary is subject to Higher Level Stewardship agreement and that under the terms of the agreement they should not allow third party vehicles to damage the strip by driving on it. The Engineer advised the landowner that the IDB has permissive powers of entry and that the Higher Tier Agreement does not stop this. A notice was served for entry as it was seen as important to remove the tree. In the event the tree was removed by a third party so no access was required. However had the IDB needed to enter and damaged the strip in the process the landowner may well of claimed against the IDB if penalised by DEFRA.

Engineer did advise the landowner that they can apply for a derogation through the RPA to avoid being penalised for any IDB works that might breach their agreement though this was not realistic in terms of timeframe for reactive works (such as obstruction removal) and these derogations usually apply to planned works such as de-weeding. Engineer also informed the landowner that she understands that DEFRA have started advising farmers / landowners that they should not be putting land into a scheme when a Regulator is known to require annual access.

It would be helpful to have some guidance from the Board on our position as this will not be an isolated case. For example a view on whether the IDB would be prepared to pay any claims where a landowner has been penalised due to unavoidable damage by IDB access in cases where derogation is not possible.

4.1.2 Tender for Service Maintenance Contract

Tender report from procurement consultant will be circulated prior to the board meeting.

There were 3 submissions.

These were evaluated during the week commencing 22 November 2021.

There was an evaluation meeting on 29 November with a follow up meeting on 15 December 2021.

Successful supplier has been identified.

The tender report will be circulated before the Board meeting.

Agreement is needed from Board to award the contract.

4.1.3 Lugg Rhea

Engineer, Esther Clarke (HWT) and Cllr Paul Andrews had an initial meeting on 12 November with Dr Dowling a vocal IDB rate payer who's property is affected by the condition of Lugg Rhea and the Lugg and is also the Haywarden for the Lugg Meadows.

There was a site visit on 26 November to the section of Lugg Rhea from River Lugg to A465 by the Engineer, Esther Clarke, Cllr Paul Andrews and Fred Meredith (IDB contractor). Works required were identified and discussed. Awaiting feedback from other interested parties, in particular Plantlife, to agree the extent of works. There are concerns with compaction issues due to the time of year.

Meeting of EA, HWT and IDB planned for week commencing 24th January 2022.

4.1.4 Leominster Compensation Ditch

In October the Engineer met with the owner of the units at Burnside in the Leominster Enterprise estate, Leominster Compensation ditch runs behind these units. These were badly flooded during Storm Dennis. He was seeking advice on what he might be able to do to protect his property and what consent might be needed from the IDB.

This section of the Leominster Compensation ditch within the industrial estate was cleared of weed and debris at the beginning of December as it was in very poor state. The section down to the confluence with the river is to be cleared in January.

Due to the concerns of both the unit owner and those who rent his units there has since been correspondence with the local councilor Jenny Bartlett, Leominster Town council, Herefordshire Council (Balfour Beatty) as well as the IDB. This is in relation to the water not running properly in this ditch. This has led to conversations around the wider issue of flooding in his part of Leominster including problems with water and sewage bubbling up through the storm drain covers in really bad weather because it cannot get to the sewage works.

From a difference context it has been noted that in November planning permission was granted for the development of a greenfield site into new office, storage and servicing headquarters with a gravel carpark over 0.7Ha area (planning application 202973 & P213625/XA2). This is to the south of the units mentioned above and is only partially in the IDB district. Planning application was sent to Welsh Water but not the IDB (Land

Drainage Authority not included as not in flood zone). There is no proper drainage plan. The application proposes a soakaway for additional surface water but evidence of the suitability of the ground in this area for infiltration is not provided. The applicant proposes to discharge foul water into the existing sewer on the approval of Welsh Water. Engineer will be following this up to get reassurance that the soakaway option is adequate.

4.1.5 Other Matters

There were flood warnings on the Rivers Frome, Arrow and Lugg over Christmas but there have been no reports of flooding of dwellings during period Nov to December 2021.

The Land Drainage Authority have suggested to the applicant of a planning application for development of up to 38 houses in Ewyas Harold (P200789/XA2 / P141963/O) of the possibility that RLIDB might adopt the swale which forms part of this planning application. The swale is just outside the IDB district (shaded in pink below) but discharges into the River Dore which is although the Dore is main river.



On this project Welsh Water are refusing to adopt the surface water drainage because the offsite drainage swale isn't adopted by the Local Authority and maintained by them. The council are keen to promote Green SuDS and have said that the adoption issues have in some cases led to situations where the developer follows the easy route of crated attenuation with no water cleanliness issues. It is not clear why the council will not adopt it.

It is understood that in October 2017 the Board determined that, in principle, it would consider the adoption for maintenance purposes, of any attenuation ponds which might have an impact on the Board's interests and that these would be considered on a case by case basis and be subject to adequate long-term financial provision. Does the Board feel this swale will have an impact on our interests and if so is the adoption of this swale something that the Board would consider?

4.1.6 Rainfall

Rainfall records for the period are shown below.

Monthly Rainfall Totals for Leominster STW Raingauge

Month	Monthly Rainfall [mm]
Oct-2021	85.2
Nov-2021	10.8
Dec-2021	50

**Met Office Long Term Average (LTA)
Monthly Rainfall for Leominster STW
Storage Rain gauge 1961 to 1990**

Year	LTA Rainfall [mm]	% of LTA
Jan	58.30	9.30
Feb	44.91	7.16
Mar	39.71	6.33
Apr	43.46	6.93
May	48.29	7.70
Jun	50.86	8.11
Jul	50.31	8.02
Aug	52.54	8.38
Sep	49.79	7.94
Oct	63.27	10.09
Nov	65.68	10.48
Dec	59.89	9.55
Total	626.99	100.00

4.2 Partnership Meetings

Virtual meeting with Environment Agency on 14 December. This was primarily about sharing information on each agencies activities but included a discussion regarding assets that had been transferred to the IDB when a number of rivers were de-mained. There is no clarity on whether this had been formalised. Neither Engineer nor the Clerk were aware of these assets. This is to be discussed further. The EA provided a link to their maintenance programme [Asset Information and Maintenance Programme \(data.gov.uk\)](https://data.gov.uk).

Attended a second meeting with Herefordshire Council and Balfour Beatty in role as Lead Flood Authority on 19 November. Review and updating of Local Flood Risk Management Strategy.

4.3 Planning, pre-application advice, and consents

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

Two consent applications granted between 25 October and 12 January 2021. There are 2 consents in progress.

Watercourse	Who	Description	Action to date
Broad Brook Lateral	Home owner	Permanent works consent for removal of culvert	Consent granted 15 November 2021
Un-named watercourse	Herefordshire wildlife Trust	Permanent Works Consent for Diversion of Ordinary Watercourse which forms part of the Re-profiling Work to Recreate Lost Wetland Habitat at Oak Tree Farm, Dinmore Hill, Herefordshire	Consent granted 5 January 2022
Moreton Lateral 2	Tarmac	Consent for temporary works – filling in Moreton Lateral 2 and temporarily diverting watercourse into lagoons with pumping as required.	Declined Consent application sent after works had already commenced so retrospective consent could not be

			granted. Low risk so not asked to stop works, letter sent 15 Nov 21
Moreton Lateral 1 & 2	Tarmac	Consent for permanent works – Moreton Lat 2 becoming part of permanent lagoon – new inlet from Moreton Lat 2 into lagoon, replacement of existing outfall into Moreton Lat 1.	In progress Further information requested by Engineer
Ebnall Ditch	Living Space	Discharge into ditch in relation to West Winds Development – up to 54 houses. Outfall will be to Ebnall ditch which is located approximately 150m to the west of the site along Cholstrey Road. There will be one headwall built into the ditch	In progress Further information and clarity requested by Engineer
Ebnall Ditch	Keepmoat Homes Limited	Existing consent for discharge into ditch in relation to Barons Cross development of 425 houses – this has expired	There is a change to the proposed discharge point. Engineer in consultation with planning consultant regarding requirements of any new discharge consent application.

4.3.2 Planning Consultations

Between 5 November and 12 January 2022 IDB received 6 planning consultations from Herefordshire Council. A further 3 were identified independently through searches or highlighted by others.

Key planning applications that the board should be aware of:

- P213963F - Proposed installation of a photovoltaic solar farm west of Clay Hill Pit, Dormington.
- Work going on at Ivy Cottage, Upper Eggerton. P213637/F. This retrospective planning permission has been refused.

Table 4.3.1 - Summary of Consultation Responses 5 Nov 2021 to 11 January 2022 where IDB may have an interest

No	Planning Ref	Proposal	Address	Comments on Consultation
664	P213963F	Proposed installation of a photovoltaic solar farm with associated infrastructure including inverters/transformers, battery storage and substation with client and DNO switching equipment with underground connection to the adjacent Dormington substation.	Land to the west of Clay Hill Pit, Dormington, Herefordshire, HR1 4EP	This site lies within the drainage district . CONSENT will be required from the IDB <ul style="list-style-type: none"> If any works are within 9m of Larport Main Ditch. The applicant should ensure that a 9m easement is maintained along both sides of the Larport Main Ditch which runs through the site. For surface water discharge into the Larport Main Ditch. Evidence will be required to demonstrate that surface runoff into the watercourses will be restricted to 1.4 litres per second per hectare or greenfield runoff.
672	P214073/F	6 no. dwellings with garages	Land Adjacent to Arrow Lea, Eardisland, Leominster, Herefordshire HR6 9BU	CONSENT will be required if from the IDB if any surface water is be discharged into the ditches running along the eastern and southern boundary of the site
673	P214036/FH	Proposed extension to the existing bungalow and render to the external walls	Orchard View, Cross Keys, Hereford, Herefordshire HR1 3NL	CONSENT will be required from the IDB if any additional surface water from the new extension is to be discharged into the Little Lugg that runs on the north edge of the site.
707	214008/FH	Proposed single and two storey extensions, including demolition of existing conservatory.	Arrow Green, Eardisland, Leominster, Herefordshire HR6 9BG	It is noted that additional surface water from the development is to be discharged into the existing drainage network but no details of this have been provided this being stated as 'unknown'. CONSENT may be required from the IDB should this drainage be discharging into an ordinary watercourse
708	214095/F	Proposed agricultural entrance into field at Upper House Farm, Ivington, with track to buildings.	Upper House Farm, Upper Ivington, Leominster, Herefordshire HR6 0JN	<ul style="list-style-type: none"> It is noted that the additional surface water from this development is to be discharged into the 'mains sewer' but there is no detail of where this sewer is located on the plans and where this sewer drains to nor is there any detail of the expected increase in discharge from the site or how this increase will be attenuated. CONSENT will be required from the IDB should this additional surface water be discharging into an ordinary watercourse within the drainage district. As detailed above this discharge would be limited to 1.4 litres per second per hectare or greenfield runoff. The applicant should note that they are required to contact the relevant authority (Land Drainage Authority, Water Authority or other) to ensure they have permission before discharging into an existing sewer and to ensure the existing system will accept the additional flow.
709	214417/F	Demolition of existing dilapidated welfare buildings and construction of a new highly sustainable welfare building and the extension of a workshop.	Kingsland Sawmills, Kingsland, Leominster, Herefordshire HR6 9SF	It is noted that additional surface water from the development is to be discharged into a soakaway. Please note IDB comments above on checking the suitability of the ground conditions for a soakaway. If it is subsequently assessed, due to unsuitable ground conditions, that the additional surface water from this development is to be discharged into any watercourses in, on, under or near the site CONSENT will be required from the Drainage Board.

4.3.3 LDA 1991, Sections 21 – 25 and 66 Breaches

Wellington Brook

A letter drop was undertaken to all riparian owners / residents backing onto Wellington brook with a reminder around riparian responsibilities. A total of 52 letters were delivered on 17 December 2021. The Wellington brook officer assisted the Engineer with this. There has been some positive feedback from a couple of riparian owners around this.

Three landowners were written to specifically;

- Owners of the Vinery. Engineer had spoken to Mr Jones in October about quite substantial piles of garden waste stored on the bank on the brook. A letter was written on 17 December 2021 formalising this conversation and asking him to move or flatten the garden waste piles.
- Owners of Causeway Cottage. Engineer had spoken to Mr Williams on the phone in October concerning removing the tree he had planted right on the brook bank behind his cottage on 'common' land and the equipment and materials he has stored close to the bank. A letter was written on 17 December formalising this conversation and requesting that action is taken.
- Connexus who own the land behind Brookside. The bank they own is badly eroded and parts are very overgrown. Connexus had assured the Parish council in October that their maintenance team would be looking at this, but no action had been taken. A letter was written to Connexus on 4 January 2022 requesting that remedial works be undertaken within a month after which notice may be served. Access to this location is currently blocked to the IDB as there is no gate suitable for plant or machinery in the fence line.

5. Health, Safety and Wellbeing

Recommendation:

- To note the information contained in this Report

5.1 Health and Safety

5.1.1 Accident, incidents and near misses

There have been no incidents, accidents or near misses reported since the last meeting.

5.1.2 COVID-19

Board operations

During this period, the Board's day to day activities have not been adversely affected and the Board Engineer has been able to undertake site visits.

5.1.3 Health and Safety Reports

Contractor monthly H&S check sheets can be viewed in Appendix E.

5.1.4 Health and Safety Quarterly Briefings

The next meeting will be held in March 22.

5.1.5 Health and Safety Statement

There is still an outstanding action to update the Board's H&S statement.

6. Environmental Adviser's Report

Recommendation:

- To note the information contained in this Report
- To support the purchase of phosphate testing kits and to share data with our Risk Management Partners

6.1 Legislation

Nothing to report.

6.2 BAP Implementation and Benefits

The cost to purchase 50 nitrate test strips and 50 phosphate test strips is £26.65 plus vat. This would cover the cost of testing one site weekly for a year. It is suggested that, if members are in agreement, a set is purchased for those willing members to carrying out testing on a watercourse adjacent to their holding. Thereby building up a database of information for the Board to share with their Risk Management Partners etc.

7. Any Other Business by Leave of The Chairman

8. Date of Next Meeting

15 June 2022 (including Tour of Inspection)
23 November 2022

9. APPENDIX A – Correspondence from ADA on Red Diesel

Please see the correspondence over the following pages.

By email to all IDB Clerks/CEOs

Thursday 06 January 2022

Dear Clerks & CEOs,

Red diesel: January 2022 Update

Background

Following the government's announcement in March 2020 that it will remove the entitlement to use rebated fuel (red diesel) from most sectors from April 2022, ADA has remained concerned about the significantly increased fuel costs for IDBs as a result of moving their lowland watercourse maintenance operations to white diesel. ADA was also concerned about IDBs' continued access to suitably skilled local contractors who predominantly serve the agricultural market for which their plant machinery will still be entitled to run on rebated fuel.

Throughout 2021 ADA has been corresponding with HM Treasury and Defra on this matter and the timeline attached summarises the key dates so far. ADA has continued to argue that IDBs and their contractors should continue to have an entitlement to use rebated fuel after 1 April 2022, and that land drainage watercourse maintenance and flood defence maintenance operations as 'allowed uses' to enable the contractors and direct workforce of IDBs and other risk management authorities to continue to operate using rebated fuel after 1 April 2022.

HM Treasury clarification

On 17 December ADA received a response from an HM Treasury official providing clarification regarding the circumstances in which IDBs and their contractors may continue to use rebated fuel after 1 April 2022. It is provided as written below in full.

I thought it would be helpful to clarify the circumstances where it will remain possible to use red diesel for water level management activities, as set out in guidance here

(<https://www.gov.uk/government/publications/changes-to-rebated-fuels-entitlement-from-1-april-2022/check-when-rebated-fuel-can-be-used>):

- Anyone will be able to use rebated fuel in vehicles and machines used for purposes relating to agriculture, horticulture, fish farming or forestry. This includes agricultural vehicles, special vehicles, unlicensed vehicles and certain machines and appliances. For these purposes, you can use rebated fuel to travel to and from the place where the vehicle is used, except on roads in unlicensed vehicles. If a vehicle or machine allowed to use rebated fuel is transported by another vehicle, you can only use rebated fuel in the vehicle carrying or towing it if it also qualifies in its own right.*

This means that both IDBs using their direct workforce and contractors will be able to use red diesel in their vehicles/machinery to complete water level and flood risk management work on land used for agriculture (working under the expectation that such activity on this land will at least in part be for the benefit of agricultural activity). As set out in your letter, nearly 70% of land at the highest risk of flooding is in agricultural use, so for a large proportion of your work, IDBs and agricultural contractors will be able to continue using red diesel. It will, however, not be possible to use rebated fuel for water level and flood risk management work on any other land (other than golf courses), unless it is for purposes relating to agriculture.

ADA welcomes this clarification from HM Treasury, which aligns with the interpretation that some IDB staff had previously expressed regarding IDBs using rebated fuel for watercourse maintenance activities on agricultural land.

Pumping stations

Whilst ADA's understanding was that from 1 April 2022 diesel pumps would have to be powered using white diesel, the most recent clarification from HM Treasury may serve to change that position, where the pumping is of benefit to agricultural land. Certainty remains that rebated fuel may continue to be used after 1 April 2022 to generate electricity that is then used to power the pumps. This exception is because the Finance Bill 2021 states that using rebated fuel for heating and electricity generation in non-commercial premises would be a 'qualifying purpose'.

ADA will continue to persuade government that an accelerated programme of asset replacement would help all risk management authorities upgrade their pumps to the latest carbon reduced and fish friendly electric versions.

Next steps for ADA

ADA still wishes to better understand the circumstances where IDBs may or may not be permitted to use rebated fuels when undertaking work/pumping on non-agricultural land where those IDB operations benefit surrounding agricultural land.

The current wording of Excise Notice 75: Fuels for use in vehicles (<https://www.gov.uk/guidance/fuels-for-use-in-vehicles-excise-notice-75>) states that:

Ditch clearing and drainage

*You can use rebated fuel for ditch clearing and drainage only if it is done **solely** for the benefit of land used for agriculture, horticulture or forestry.*

However, HMRC has stated that Excise Notice 75 will be updated in advance of 1 April 2022.

Therefore, ADA proposes to seek:

- further clarification from the government regarding future wording within Excise Notice 75 and government guidance on the changes to rebated fuels entitlement from 1 April 2022, in line with HM Treasury's most recent clarification to us.
- legal advice regarding the circumstances in which rebated fuel may continue to be used on non-agricultural land where those operations benefit surrounding agricultural land.
- legal advice regarding the use of rebated fuel in pumping stations that benefit agricultural land.

These proposals will be discussed at the ADA Policy & Finance Committee meeting on 19 January 2022.

Yours faithfully



Ian Moodie MSci, Technical Manager, ADA

Timeline of changes to rebated fuels entitlement

11 March 2020 | Budget 2020, the government announced that it will remove the entitlement to use red diesel from most sectors from April 2022.

9 July 2020 | HM Treasury launched public consultation seeks views on reforms to the tax treatment of red diesel and other rebated fuels. ADA was unaware of this consultation at the time and did not respond.

11 January 2021 | ADA submitted an urgent report on the use of red diesel by internal drainage boards to HM Treasury and Defra.

11 March 2021 | Finance Bill 2021 published with provisions for changes to rebated fuels entitlement.

12 March 2021 | ADA shared a pro forma letter for IDBs to send to MPs regarding red diesel entitlement.

23 March 2021 | ADA submitted an updated version of the urgent report to HM Treasury and Defra.

10 June 2021 | Finance Act 2021 received royal assent.

21 June 2021 | ADA met with HM Treasury civil servant leading on these fuel duty changes to discuss the sector's concerns. The outcome of this meeting was a specific request from HM Treasury for ADA to provide further quantitative information about IDBs' use of agricultural contractors.

9 July 2021 | ADA wrote to IDBs providing an update on meeting with HM Treasury and making a request for data regarding IDBs' use of agricultural contractors undertaken by ADA. 61 IDBs responded to this data request over the summer of 2021.

6 October 2021 | ADA wrote to HM Treasury describing IDB operational maintenance in greater detail and presenting results of the IDB contractors survey undertaken. The letter concluded with two alternative policy requests seeking:

- a. to define land drainage watercourse maintenance and flood defence maintenance operations as 'allowed uses', and/or
- b. for land drainage watercourse maintenance to be defined as an 'accepted purpose' in relation to agriculture, such as within *Excise Notice 75: Fuels for use in vehicles*.

15 October 2021 | ADA receives interim guidance on changes to rebated fuels entitlement from 1 April 2022 from HMRC.

11 November 2021 | Interim guidance on changes to rebated fuels entitlement from 1 April 2022 published on gov.uk website (<https://www.gov.uk/government/publications/changes-to-rebated-fuels-entitlement-from-1-april-2022>).

30 November 2021 | HM Treasury responded to ADA's letter thanking ADA for the data provided. It did not address the questions and policy requests made in ADA's letter. HM Treasury directed ADA to discuss the implications that we set out with Defra colleagues. It should be noted that ADA was originally encouraged to discuss the matter directly with HM Treasury by Defra officials.

17 December 2021 | HM Treasury writes again to ADA clarifying that *'IDBs using their direct workforce and contractors will be able to use red diesel in their vehicles/machinery to complete water level and flood risk*

management work on land used for agriculture (working under the expectation that such activity on this land will at least in part be for the benefit of agricultural activity).'

7 January 2022 | ADA writes to IDBs regarding the clarification provided by HM Treasury, and outlining next steps ADA proposes to take.

10. APPENDIX B – Minutes of the Audit Review Meeting

Held online, Microsoft Teams,
Monday, 22 November 2021

Present:

Mrs Rita Brough (RB)	Goole & Airmyn IDB
Mr Christopher Day (CD)	Ancholme IDB
Cllr Ray Sutherland (RS)	Sow & Penk IDB
Mr Andy Cane (AC)	Brodericks GBC

In Attendance on behalf of JBA Consulting:

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

Introductions and Apologies for Absence

MJ welcomed the members and all attendees briefly introduced themselves. Apologies for absence were received from Mr Michael Dougherty, Mr Ralph Guy and Mrs Elissa Swinglehurst.

Minutes of the Last Meeting / Matters Arising

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

Risk Register

DB discussed risk management policies and how they assist the Boards meeting their aims and objectives. He took the panel through the outline Risk Register and the associated grading system. He explained how the draft registers, fully expanded, would be reviewed by the management team and issued to the Boards for the January/February 2022 meetings.

RS pointed out the text in white could be a little difficult to read. DB said this would be corrected by the time the full Registers were issued.

As an example of risk grading DB explained that with assets such as pumping stations, as the assets age the risk of failure increases and risks can be adjusted accordingly along with any mitigation. As an example of mitigation, DB pointed out Ancholme IDB now have a MEICA engineer in their direct employment.

DB also discussed the ongoing issue all IDBs are facing in relation to red diesel costs and the likelihood of contractors' costs increasing significantly. This may result in some authorities exceeding their budgeted costs, or perhaps reducing their maintenance plans. AC asked if this issue could impact on the reserve levels held by the Boards. DB reiterated it possibly could, unless the Boards were to reduce their maintenance plans or perhaps increase their rates.

Internal Auditor's Report

The internal auditor reviewed the work undertaken on the 2020/21 accounts. In general, he was satisfied with how things were run and said there were no major concerns. He pointed out that little Internal Audit work could be done on Earby & Salterforth IDB, but a true audit would be done for the year ending 31 March 2022.

He said the Boards' control procedures were very good and little could be done to improve them. Also, he expressed the view that Risk Registers underpin the internal control environment. The panel then discussed the following points:

Supplier Bank Details and Associated Fraud Risk

CD said the biggest risk is where a change of supplier bank details occurs and enquired how many requests to change details the clerks received each year. MJ said every request was logged in a sheet and agreed it was an area very susceptible to fraud. Also, he said that invoices from new suppliers needed to be treated with care. The officers always gather as much information as possible from the supplier and then make their decision accordingly. Also, they would take into account the cash value of any proposed payment. He drew the panel's attention to the process set out in the meeting papers. AC confirmed the Internal Auditors carried out extensive checks on the activity in the year and that this issue has been raised every year. MJ explained they would still pay by cheque if they could not be satisfied any payment details given met the required standards and talked the panel through one such instance of this.

Decision Making & Member Attendance

The panel briefly discussed this issue. AC said that this issue is discussed every year. He said attendance tends to fluctuate and enquired if the holding of virtual meetings had made a difference. MJ said it had, and that now Boards had updated their Standing Orders, virtual meetings and hybrid meetings may become more common. He also said he hoped that more virtual meetings would improve member attendance, reduce travel costs and reduce emissions. DB said no major increase in member attendance had been noted yet. RS said it made total sense for Sow & Penk IDB to hold virtual meetings, simply because of the distance between clerks & officers. CD suggested hybrid meetings would be possible. MJ said it depended on the venue, broadband & wifi availability. DB said a hybrid meeting had previously worked but with some issues. CD said he had attended meetings where a Meeting Owl had been used and it worked effectively.

DB said the attendance of elected members was generally very good but less so with nominated members. MJ said it members cannot be forced to attend and that we could only continue to pester the local authorities to encourage attendance. DB agreed. RB said Goole & Airmyn IDB had been accommodating, changing meeting dates to allow ERYC members to attend but they still don't attend. RS said he was in regular consultations with councillors and did what he could to encourage member attendance and would speak to the authorities if they continually failed to attend.

Cybercrime

CD discussed the prevalence of cybercrime generally. He asked what controls were in place to ensure the Clerk's office had the most up-to-date antivirus software. MJ said all JBA machines, including those used for remote working, must have up-to-date antivirus software or they will simply not function on the network. He said JBA are very robust in these issues. Also, not all JBA staff members can access all drives; access is granted on a needs basis. CD said this gave him some reassurance.

External Auditor's Report

The AGAR Section 3s were reviewed by the panel and more specifically the External Auditors' comments. The panel was pleased to note there were no matters arising giving cause for concern. MJ also discussed three reports where 'Other Matters' were raised by the external auditors, described below.

Incorrect Figure from Previous Year

The previous years' figures on the Ancholme IDB accounts had an incorrectly transcribed figure. This had been corrected and the necessary signatures obtained.

Netting-off

MJ informed the panel that the external auditor had commented negatively about how a receipt in regard of an insurance claim had been treated in the Goole Fields DDB accounts. They had in fact objected that the Board had not netted off the figures. MJ said this has

caused a certain amount of astonishment at the Clerk's office. AC said 'his mind boggled' they had taken this position, and that if this was the required treatment for insurance claims, should grant-funded and other recoverable costs be treated in the same manner? MJ said the external auditors spent around fifteen years trying to stop authorities netting off income against expenditure, so this was a completely unexpected intervention. He also confirmed the Clerk had contacted the External Auditor to make officers' views plain. However, MJ stressed this was merely an 'other matters' issue and the external audit was now complete. AC said it would be nice to have a response as it may affect future audits.

Extension to Period of Electors' Rights

MJ explained to the panel that following the virtual meeting of Sow & Penk IDB, the AGAR, which still required a wet signature, had been lost in the post. By the time this was realised it was too late for a replacement to be arranged in time to meet the statutory inspection period. MJ said the officers had applied for an extension. This was quite satisfactory to the external auditors, but a declaration needs to be made on the 2021/22 governance statement accordingly.

Any Other Business

No issues raised.

Date of Next Meeting and Close of Meeting

The next meeting of the panel will be held on Monday, 21 November 2022 at 10.00am at the offices of JBA Consulting, Epsom House, Chase Park, Redhouse Interchange, Doncaster, DN6 7FE.

MJ thanked the members for attending. CD thanked AC for all the work done on audits and MJ for the work done in preparing and presenting the meeting papers.

The meeting was closed at approximately 10:50am.

11. APPENDIX C – Risk Register

Introduction

Risk Management is not just about financial management, it is about achieving the objectives of the board to deliver high quality water level management. The failure to manage risks effectively can be expensive in terms of litigation and reputation and prevent meeting targets.

The Board is ultimately responsible for risk management because risks threaten the achievement of the IDB objectives, and the overall purpose of its existence.

Risk Management Cycle

Risk management should be embedded in strategic planning of an IDB. Without it Officers/Members cannot make effective decisions to meet the Boards objectives and to safeguard the Boards assets. It can be the unexpected risks that cause the most harm and effect to the Board. Risk management needs to be dynamic to capture and anticipate new risks and to assess the trade-off between risk and opportunity. It should be an ongoing cycle, that used properly, will enhance decision making for the IDB.



Use the five benchmarks listed to identify aspects of your risk management systems that already work well and to consider areas for improvement. This will help to ensure that effective decisions are made, based on a sound understanding of the risks and opportunities you face.

Risk Policy

Purpose

Is a formal acknowledgement that the IDB is committed to maintaining a strong risk management framework. The aim is to ensure that the Board makes every effort to manage risk appropriately by maximising potential opportunities whilst minimising the adverse effects of risks.

Should be used to support the internal control systems of the Board, enabling the Board to respond to operational, strategic and financial risks regardless of whether they are internally or externally driven

Objectives

- To confirm and communicate the Board's commitment to risk management.
- To establish a consistent framework and protocol for determining appetite to and for managing risk.
- To assign accountability to management and staff for risk within their control and provide a structured process for risk to be considered, reported and acted upon throughout the IDB.

Policy Statement

The Board Members and Management of the IDB believe that sound risk management is integral to both good management and good governance practice.

Risk Management should form an integral part of the Board's decision-making and be incorporated within strategic and operational planning.

Risk assessment will be conducted on all new activities and projects to ensure they are in line with the Board's objectives and mission.

Any risks or opportunities arising will be identified, analysed and reported at an appropriate level.

A risk register covering key strategic risks will be maintained and updated annually and more frequently where risks are known to be volatile.

The Board will regularly review and monitor the effectiveness of its risk management framework and update it as considered appropriate.

Reports will be made to the Chairman annually detailing existing and emerging high concern risks and those where priority action is needed to effect better control.

Roles

The Role of the Chief Executive Officer and the Senior Management Team:

- To ensure that risk management policy is implemented
- To anticipate and consider emerging risks and to keep under review the assessed level of likelihood and impact of existing key risks
- To provide regular and timely information to the members on the status of risks and their mitigation
- To implement adequate corrective action in responding to significant risks; to learn from previous mistakes and to ensure that all contingent plans are sufficiently robust to cope with high level risk

The Engineer & Asset Manager are responsible for managing project specific operational risks and for ensuring that risks are reported upon in a timely fashion.

The Role of the Board:

- To ensure that a culture of risk management is embedded throughout the Board
- To set the level of risk appetite for the organisation and in specific circumstances
- To communicate the Boards approach to risk and set standards of conduct expected of staff
- To ensure risk management is included in the development of business plans, budgets and when considering strategic decisions
- To approve major decisions affecting the Boards risk profile or exposure
- To satisfy itself that fewer fundamental risks are being actively managed and controlled
- To regularly review the boards approach to risk management and approve any changes to this

To receive reports from internal audit, external consultants and any other relevant parties and to make recommendations on this

Risk & Decision-Making Process

Risk needs to be addressed at the point at which decisions are being taken. Where Members and Officers are asked to make decisions, they should be advised of the risks associated with recommendations being made.

The IDB will need to demonstrate that it took reasonable steps to consider the risks involved in a decision. There needs to be a balance struck between efficiency of the decision-making process and the need to address risk.

This process does not guarantee that decisions will always be right, but it will demonstrate that the risks have been considered and the evidence will support this.

Risk Mapping, Scoring & Ranking

Risks are ranked by the impact and likelihood of occurrence. Those in the top right-hand of the quadrant showing both the highest likelihood and impact and those in the bottom left-hand quadrant showing the lowest likelihood and impact.

Impact is assessed separately for each risk and graded from 1 to 3. 1 – lowest impact and 3 – highest impact.

High- major effect on the Board's activities and obligation to fulfil its objectives. Could result in major Financial loss, Widespread Operation disruption and have a major impact on connected stakeholders.

Medium- could affect the Boards activities and obligation to fulfil its objectives. Could result in significant Financial loss, short term Operational disruption and have a significant impact on connected stakeholders.

Low- will impact the board but will not disrupt activities and the boards obligation to fulfil its objectives. If any financial losses will be low, no effect to current operations and or connected stakeholders.

Likelihood is assessed from 1 to 3, 1- Unlikely and 3- Very Likely.

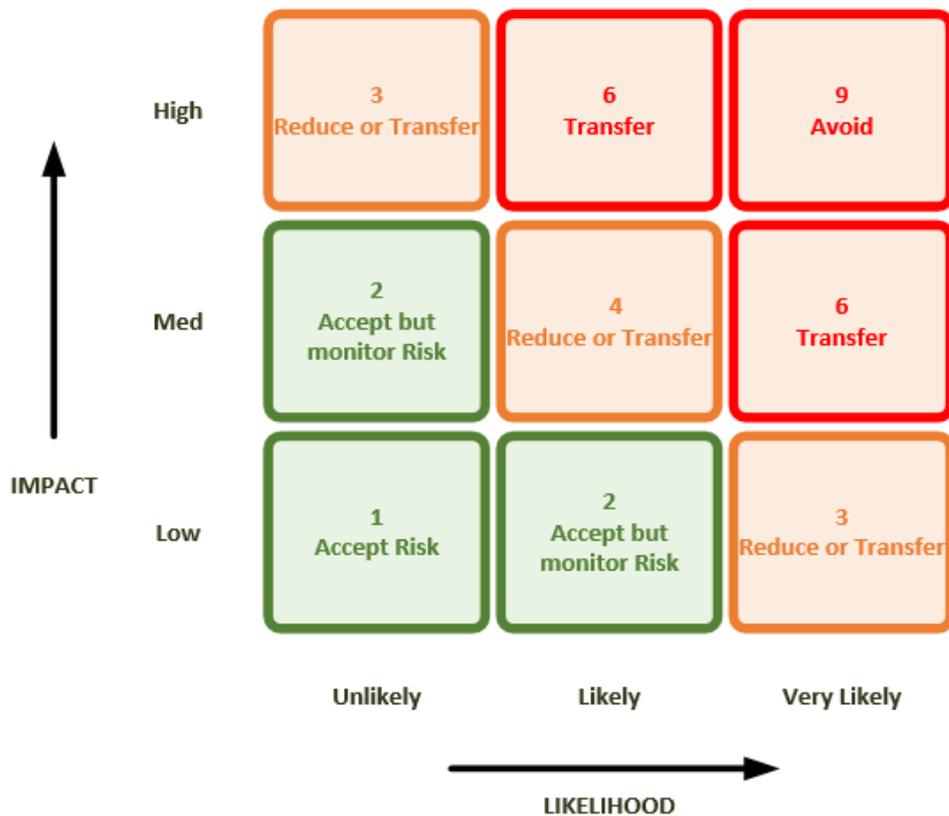
Very Likely- Increased chance of happening, generally will happen.

Likely- Chance of occurring still exists, but it may or may not happen.

Unlikely- Very low chance of happening, rare chance it will.

The score is then multiplied to give the total ranking for each risk.

Risk Matrix



Once an associated risk has been scored and ranked using the matrix the Management Team will use the TARA framework (Transfer, Accept, Reduce or Avoid) to aid next steps based on the risk score.

This should help aid decisions on mitigating the risk and the steps needed to ensure the likelihood is reduced and the impact is reduced to an acceptable level.

- <2 **ACCEPT- RISK LEVEL ACCEPTABLE**
- 3-4 **REDUCE- ACTION NEEDED TO REDUCE RISK**
- 6 **TRANSFER- RISK TOO HIGH, TRANSFER ELSEWHERE IF POSSIBLE (EG. INSURANCE)**
- 9 **AVOID- RISK TOO HIGH, NOT POSSIBLE TO TRANSFER OR REDUCE TO ACCEPTABLE LEVEL**



River Lugg IDB Risk Register

A copy of the draft register can be found over the following pages.

River Lugg IDB- Risk Register Jan 2022

OBJECTIVE	RISK	Current Controls/Assurances	Risk			Status	Mitigation/Action Plan	Owner/Target Date	
			Impact	Likelihood	Score				
S U S T A I N A B I L I T Y	Objective 1 : Provide & Maintain Sustainable Flood Protection through Water Level Management	Lack of direction, Conflicting aims & objectives (Internal & External)	Policy statement on Flood Protection and Water Level Management The board has an extensive list of policies	Med	Unlikely	2	ACCEPT- RISK LEVEL ACCEPTABLE	Next Review 30/06/22	
		Human Resource Risk- Contractors National/International Emergencies	Contractors go through tender process if necessary	High	Unlikely	3	REDUCE- ACTION REQUIRED TO REDUCE RISK	Monitor Suppliers/Review Succession Plans Disaster/Emergency Protocols Online Communication- Microsoft Teams	Next Review 30/06/22
			Timely Contractual performance review- Time & Quality						
			Succession Planning/Business Continuity Reviews Disaster Recovery Plans						
	Objective 2: Promote & Integrate Biodiversity with the boards primary and operational activities	Risk of prosecution for not adhering to Environmental Legislation	Board subcontracts a suitably qualified Env. Officer	High	Unlikely	3	REDUCE- ACTION REQUIRED TO REDUCE RISK	Continue to communicate Environmental best working practices with the Contractors Monthly Reports from the contractor	Eng- Ongoing
			Extensive Environmental Surveys carried out						
			Species reporting on all new watercourses						
		The board does not deliver on the duty to protect and where practicable enhance the environment	The board has a Biodiversity Action Plan	Med	Unlikely	2	ACCEPT- RISK LEVEL ACCEPTABLE		Next Review 30/06/22
			Produce Environmental Annual Report and Action Plan for the year ahead.						
			Lack of staff training, not provided with the relevant training and information to ensure necessary steps are taken with regard to Diversity						
Training made available (Badgers License etc)									
Develop plans to mitigate the risk of destroying habitat									
I N N O V A T I O N	Objective 3: Embrace new technology/methods introduced into the industry	Financial Limitations	Cost Savings- Payback Calculation	Med	Unlikely	2	ACCEPT- RISK LEVEL ACCEPTABLE	Next Review 30/06/22	
			Research & Development Included in Budget						
			PWLB- Potential to borrow						
		Historical Viewpoint- 'we've always done it this way' can stifle innovation	Long Term Asset Management Strategy Adopted	Med	Unlikely	2	ACCEPT- RISK LEVEL ACCEPTABLE		Next Review 30/06/22
			Forward Thinking Board						
			The Board would always look to trial new technology						
	Uncertainty- results limited as technology/methods are in early stages of its lifecycle	Economies of Scale through Shire Group of IDBs reduces risk to RLIDB	Med	Unlikely	2	ACCEPT- RISK LEVEL ACCEPTABLE		Next Review 30/06/22	
		Regulation with in the industry							
	Objective 4: Promote Innovation, ensure the board is continually looking at ways to improve and grow	Members lack understanding of the Board's objectives, latest legislative requirement and latest developments in the industry.	Land Drainage Act provides for election of members every 3rd Year	High	Unlikely	3	REDUCE- ACTION REQUIRED TO REDUCE RISK	Member Interaction/Presentations	Ongoing
			Training Courses for board members						
Board Structure- Limited diversity of members background		Elected/Nominated split dependant on Annual Values	Low	Likely	2	ACCEPT- RISK LEVEL ACCEPTABLE		Next Review 30/06/22	
		Nominated members typically have knowledge of WLM							
		Elected members must be nominated by Landowners in the district							
Short Termism- Reduction of cost philosophy		STP/MTP/LTP	Low	Likely	2	ACCEPT- RISK LEVEL ACCEPTABLE		Next Review 30/06/22	
	Long Term Forecasting, 20 years Budget plans, Long Term Capital plan								
Unsuitable members appointed to the Board	Elected members must be nominated by Landowners in the district	Low	Unlikely	1	ACCEPT- RISK LEVEL ACCEPTABLE		Next Review 30/06/22		
	Members register of interest								

River Lugg IDB- Risk Register Jan 2022

OBJECTIVE	RISK	Current Controls/Assurances	Risk			Status	Mitigation/Action Plan	Owner/Target Date	
			Impact	Likelihood	Score				
STAKEHOLDER VALUE	Reduction in income to the Board to maintain an appropriate provision of services	Systems and processes to maximise income opportunities and collection	High	Unlikely	3	REDUCE- ACTION REQUIRED TO REDUCE RISK	Provide all significant ratepayers/creditors with the Long-Term forecast, allowing them to make provisions accordingly.	Senior Finance Officer Mar 22	
		Timely invoicing of Drainage Rates account holders annually, monitoring of collection rates and take follow-up action when non-payment.							
		Submit Highland Water claims to the EA.							
	Overspending, not obtaining value for money	Monthly Budget reviews, Budget to date and out turn analysed by members at meetings	High	Unlikely	3	REDUCE- ACTION REQUIRED TO REDUCE RISK	Cash Flow analysis incorporated into monthly budget review, ensure value for money is sought on every purchase	FO-2022	
		Financial Regulations- >£5000 2 quotes > £20,000 Tender Process							
		Approved Suppliers List with specific criteria that is regularly monitored							
	Perception that this isn't the case	Internal/External Audits & IDB1 forms	Med	Likely	4	REDUCE- ACTION REQUIRED TO REDUCE RISK	Promote the board, shout about the good work River Lugg IDB do Tap into to Social Media to do this	SGAT- Ongoing	
		Website promoting board Activities							
	Flood damage to third party	Insurance Policies to cover main risks including asset failure and indemnity for third party damage	High	Unlikely	3	REDUCE- ACTION REQUIRED TO REDUCE RISK	Insurance policies reviewed annually for the Board and risks required changes to cover reassessed.	SFO- Jan 2022	
		Catchment Mapping completed							
	Objective 6: To be a champion of partnership working, work collaboratively where this can deliver shared research objectives more cost-effectively and for the wider good of all connected	Miscommunication causing differing expectations/goals	Close working relationships with all connected stakeholders	Med	Unlikely	2	ACCEPT- RISK LEVEL ACCEPTABLE	Monitor all relationships with all connected stakeholders, continue to be a champion of partnership working	Next Review 30/06/22
			Historic Agreements						
Lack of formal structure and clear risk-sharing arrangements		Drive for partnership working	Med	Unlikely	2	ACCEPT- RISK LEVEL ACCEPTABLE	Monitor all relationships with all connected stakeholders, continue to be a champion of partnership working	Next Review 30/06/22	
		Good working relationship with LLFA							
Internal & External Conflicts, which could create a lack of trust	Clear definition of role between IDB & other Stakeholders	Med	Unlikely	2	ACCEPT- RISK LEVEL ACCEPTABLE	Monitor all relationships with all connected stakeholders, continue to be a champion of partnership working	Next Review 30/06/22		
	Conflict Management Policy								
COMPLIANCE	Adverse audit reports, legal action and loss of confidence in the IDB.	Open & Honest- 100% Transparent- Minutes on website	High	Unlikely	3	REDUCE- ACTION REQUIRED TO REDUCE RISK	1. Continue to work with Internal Auditor to always minimise risks associated with accounting practices, especially when new risks emerge 2. Review current SGAT processes & procedures and update where appropriate	Finance Team- May 2022 & Ongoing	
		Put in place a satisfactory Governance framework, including: - Internal Audit contract & access to the Boards. - External Audit Service - Financial regulations in place for each Board - Business continuity & recovery plan - Insurance Policies proportionate to identified risks - Appropriate ICT systems to support key functions (Ratings, Finance and GIs). - ADA Practitioners' Guide (2006), as revised 2017 - Data processing, handling and retention in compliance with ICO's Guidance & Licence for each Board.							
		Adhere to Board Approved Financial Regulations							
		Experienced and suitably qualified finance officers							
	Loss of Cash through error or fraud	Bank Mandate in place, always two signatories needed	High	Unlikely	3	REDUCE- ACTION REQUIRED TO REDUCE RISK	Continually Review current SGAT processes & procedures and update where appropriate	Finance Team- Ongoing	
		New Supplier Checks- Proof of Banking Details							
		All Purchase Ledger Transactions are reviewed by the board							
	Loss of Control through inadequate processes.	Adequate Insurance to cover such Losses	High	Unlikely	3	REDUCE- ACTION REQUIRED TO REDUCE RISK	Continually Review current SGAT processes & procedures and update where appropriate	Finance Team- Ongoing	
		Audit approved documented processes, that have a clear segregation of duties							
	Liquidity issues, lack of reserves	Bank Mandate in place, always two signatories needed	Med	Unlikely	2	ACCEPT- RISK LEVEL ACCEPTABLE		Next Review 30/06/22	
The Board has adopted a reserves policy									
Short, Mid & Long Term Budgetted									
Objective 8: Ensure that at all times the board complies with all current EU & UK legislation	Risk to Board Members	Boards financial position presented at Board meetings	Med	Unlikely	2	ACCEPT- RISK LEVEL ACCEPTABLE	Monitor any changes to current EU & UK legislation	Next Review 30/06/22	
		Qualified & experienced staff attempt to advise the board							
	Non-compliance with legislation, regulations good practice resulting in prosecution, fines /penalties / sanctions and loss of confidence in the Board(s).	Ultimately, all decisions should be discussed and made as a collective	High	Unlikely	3	REDUCE- ACTION REQUIRED TO REDUCE RISK	Monitor any changes to current EU & UK legislation	Next Review 30/06/22	
Adequate Insurance underaken									
	Access specialist advice as required, eg Finance, Legal, H&S, Insurance, etc.								
	Peer Group support, e.g. ADA's Policy & Finance and Technical Committees								

12. APPENDIX D – Reserves Policy

A copy of the draft reserves policy can be found over the following pages.



Reserves Policy version 1-2022

Purpose:

The purpose of the Reserves policy is to maintain an adequate level of funds to support the ongoing operations of the Board and to provide a source of internal funds for operational priorities such as watercourse maintenance, pumping station running costs and repair, capital replacement and improvement programmes, opportunity and capacity building and unforeseen expenditure.

The Reserves policy will be implemented in association with other governance and financial policies of the Board and is intended to support the goals and strategies contained in these policies, and in strategic and operational plans.

Definitions:

Revenue Account Balance - Operating Balance

The Operating Balance is intended to provide an internal source of funds for the day to day management of the Board including a sudden increase in expenditure, one-time unbudgeted expenditure, unanticipated loss of funding and uninsured losses. The Operating Balance will be reviewed regularly to ensure sufficient funds are available. The Operating Balance is defined as the designated fund for the day to day management of the Board.

Goals:

Revenue Account Balance - Operating Balance

The minimum amount to be designated as Operating Balance will be an amount sufficient to maintain the annual ongoing operations and programmes of the board. Fundamentally it will be based on the accounting concept of "Going Concern" which assumes that a business entity will continue to operate in the foreseeable future without the need or intention on the part of management to liquidate the entity or to significantly curtail its operational activities. Therefore, it is assumed that the entity will realise its assets and settle its obligations in the normal course of the business. -

<http://accounting-simplified.com/financial-accounting/accounting-concepts-and-principles/going-concern>.

The Operating Balance will be reviewed and adjusted in response to both internal and external changes.



Reserves Policy version 1-2020

The target Operating Balance is equal to **XX%** of average operating costs. The calculation of average operating costs includes expenditure on watercourse maintenance, administration and environmental works. Depreciation, in-kind, and other non-cash expenses are not included in the calculation.

The target level of the Operating Balance will be calculated each year and presented with the annual budget for approval by the Board and included in the regular financial reports (Five Year Budget Estimates).

Accounting for Reserves:

The Board's Reserves will be recorded in the financial records as Reserves. Reserves will be held jointly with general cash and investment accounts of the Board.

Funding of Reserves:

The Operating Balance will be funded by the Agricultural ratepayers and Special Levy paying councils together with bank interest, rental and other income.

Use of Reserves:

Use of the Operating Balance requires three steps:

1. Identification of appropriate use of reserve funds.

The Finance Officer will prepare an annual budget for the Board that identifies the proposed income and expenditure for the forthcoming year. This step requires analysis of the current year's expenditure to date and projected out turn figures along with the following years estimate costs.

The Finance Officer will liaise closely with the Engineer and Clerk to verify the planned capital expenditure and additional maintenance works that will be likely in the forthcoming years.

The Board will meet to discuss the proposals and to consider any changes that are deemed necessary.



Reserves Policy version 1-2020

The Budget is compiled in conjunction with the Board's five-year budget estimate where the future impact of the budget can be assessed to ensure it is in keeping with this Reserve Policy.

The Board will be asked to approve the budget and set the level of drainage rates for the forthcoming year.

2. Authority to use Reserves.

Refer to the Board's Financial Regulations with regard to budgetary expenditure and unplanned expenditure.

3. Reporting and monitoring.

The Finance Officer is responsible for assuring that the Reserve funds are maintained and used only as described in this Policy. Upon approval for the use of Reserve funds, the Finance Officer will maintain records of the use of funds (Budget Estimate, Five Year Budget Estimate and Annual Accounts) and plan for increases, if required. The Finance Officer will provide reports to the Board of progress to restore the Reserves to the target minimum amount, if required.

Relationship to Other Policies:

The Board maintain other approved policies, which may contain provisions that affect the creation, sufficiency, and management of the Reserve Policy. This policy will therefore adhere to these provisions.

Review of Policy:

This Policy will be reviewed in 2023 by the Board and Finance Officer, or sooner if warranted by internal or external events or changes.

Approved by the River Lugg Internal Drainage Board at their meeting held on 26 January 2022.

13. APPENDIX E – Contractor Health & Safety Checks

A copy of the checklist mentioned in the Health & Safety section can be found over the following pages.

JOHN MEREDITH PLANT HIRE – RISK ASSESSMENT AND CHECK LIST

Monthly Return Month end: *November 2021*

SITE: LUGG DRAINAGE

	Yes	No	N/A
Are Risk Assessments Available	✓		
Have you done the job before?	✓		
Are you competent to do this work?	✓		
Have you the necessary tools?	✓		
Are the tools safe and in a good state of repair?	✓		
Have you the correct PPE?	✓		

Accidents recorded and reported to Area Engineer during Month	<i>None</i>
RIDDOR accidents/incidents Reported during Month	<i>None</i>
Near Misses	<i>None</i>
Reportable environmental incidents	<i>None</i>
First Aid box checked	<i>Yes</i>
Comments:	<i>None</i>
Signed: John Meredith Plant Hire	<i>B. Lewis</i>
Date	<i>30/11/21</i>

JOHN MEREDITH PLANT HIRE – RISK ASSESSMENT AND CHECK LIST

Monthly Return Month end: *Dec 2021*

SITE: LUGG DRAINAGE

	Yes	No	N/A
Are Risk Assessments Available	<input checked="" type="checkbox"/>		
Have you done the job before?	<input checked="" type="checkbox"/>		
Are you competent to do this work?	<input checked="" type="checkbox"/>		
Have you the necessary tools?	<input checked="" type="checkbox"/>		
Are the tools safe and in a good state of repair?	<input checked="" type="checkbox"/>		
Have you the correct PPE?	<input checked="" type="checkbox"/>		

Accidents recorded and reported to Area Engineer during Month	<i>None</i>
RIDDOR accidents/incidents Reported during Month	<i>None</i>
Near Misses	<i>None</i>
Reportable environmental incidents	<i>None</i>
First Aid box checked	<i>Yes</i>
Comments:	
Signed: John Meredith Plant Hire	<i>B. Lewis</i>
Date	<i>04/01/2022</i>



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