



**Sow & Penk**

Internal Drainage Board

**Virtual Meeting**

**Microsoft Teams**

**Log-in Instructions to be issued nearer the date**

**Meeting Papers**

**Wednesday 9 February 2022**

**Meeting at 11:00am**



**Shire**

Group of IDBs

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# Meeting Papers

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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.

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# 1. Governance

## 1.1 Apologies

## 1.2 Declaration of Interest

## 1.3 Complaints and FOI

## 1.4 Minutes of Meeting 17 November 2021

|                |                 |    |
|----------------|-----------------|----|
| <b>Present</b> | Ray Sutherland  | RS |
|                | Len Bates       | LB |
|                | Andrew Harp     | AH |
|                | Angela Loughran | AL |
|                | Phil Bates      | PB |
|                | Frances Beatty  | FB |
|                | Ralph Cooke     | RC |
|                | Tim Williams    | TW |

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

|                |                 |
|----------------|-----------------|
| Craig Benson   | Clerk           |
| Paul Jones     | Engineer        |
| David Blake    | Finance Officer |
| Janette Parker | Rating Officer  |

RS welcomed new member Tim Williams to his first meeting.

### Apologies for Absence

**2021.44** Apologies were received from Tony Parrott, Neil Brown, Brendan McKeown, Mark Winnington & Jeff Sims.

### Declaration of Interest

**2021.45** None.

### Complaints and Freedom of Information Requests

**2021.46** None.

### Minutes of the Last Meeting

**2021.47** Minutes of the last meeting held were considered, **proposed as a true record by AL and seconded AH.**

### Matters Arising

**2021.48** LB referred to **Item 2021.28** and response from David Williams regarding the flooding on Acton Hill Road and stated very disappointed that he doesn't indicate when work will be done and asked if Board could go back and ask for reply to points raised. RS requested response be sent to David Williams thanking him for response but requesting timescales regarding works. Clerk agreed to arrange.

**2021.49** LB then referred to **Item 2021.37** and situation with flooding to Penkridge and requested update. Eng. advised Environment Agency were currently calibrating their model and that an update was being sought. LB stated it was important to get a response as soon as possible as would have impact on South Staffordshire Local Plan. TW then raised concerns over sewage dispensed into main river from Severn Trent and queried with the proposed increase in housing if the system could cope without an increase in polluting to the main river. RS suggested he make a comment in the consultation for the Local Plan. TW confirmed he would be doing so. Eng advised that nationally there was to be a tightening up of regulations regarding overflows from foul systems to restrict how much they were able to discharge. AL asked why Board not making comments to planning departments when new housing is added onto existing systems. Eng. advised that the Board act under the Land Drainage Act so only comment on works to watercourses or on the discharge rate into those watercourses which relates to surface water and not foul so as to ensure no increase in run off. FB added that a large part of the Plan was surface water run-off and suspected there would be a huge amount of change over the next few years with more controls over what developers can do to build green housing and that it was up to all members of the council to comment on plan consultation. TW said he looked after a section of river which had originally contained fish but over the last few years they had disappeared and if looking after the environment should the Board not be putting more pressure on water companies. Eng advised that the appropriate route in terms of a pollution incident was to report this to the EA. TW stated that a recent incident had been reported but the EA took 48 hours to respond. RS asked Eng to contact Board's EA contact and advise of points raised. Eng agreed to forward comments.

#### **CLERK'S REPORT**

**2021.50** Policy – Clerk advised that DEFRA had made minor changes which needed approval by the Board. **AH proposed approval of and PB seconded.**

**2021.51** Legislation – Clerk confirmed that from the recent ADA conference it was unlikely that IDBs would be granted an exemption with regard Red Diesel. This would mean an increase in costs moving forwards but advised that proposals would be brought to the next meeting for the Board to consider.

**2021.52** Environment Agency – Draft Flood Risk Management Plans – Clerk referred members to the link in the meeting papers and suggested they may wish to make comments adding that Officers would be commenting on behalf of the Board.

**2021.53** ADA – Information noted.

**2021.54** Co-Option of Board Member – Clerk advised they had been approached by Mr Paul Edwards to become a member and referred to details provided in the papers. AL asked how he knew to apply and where was it advertised. Clerk confirmed it hadn't been advertised but there was mention of the vacancy on the Board's website. He added that discussions had taken place at the last few meetings in order to fill the vacancies and requested Board approval to appoint. **RS asked for members to confirm they were happy for him to be invited to the next meeting – All in favour.**

#### **FINANCIAL REPORT**

**2021.55** Rating Report – FO confirmed the second instalment of the levy had been paid by Stafford Borough Council, so the outstanding balance was now £1,467. He confirmed that 88% of rates had been collected to date and that Solicitors letters would be issued to 10 ratepayers which should reduce the balance further.

**2021.56** Schedule of Payments – AL asked if anything could be done regarding bank fees paid to Lloyds. FO advised costs were for charges for the account and those in connection with the card payment account but that would investigate possibility of reductions and report at the next meeting. **Approval of schedule proposed by AH and seconded LB.**

**2021.57** External Audit – Information noted.

**2021.58** Internal Audit Review Meeting – Information noted and RS confirmed he would be in attendance.

**2021.59** Budget Comparison for the Year Ending 31 March 2022 – FO took members through the report advising income was in line with budgeted proposals whilst there were positive variances with regards expenditure due to the Flood Defence Levy and no current spend on either the BAP or County Show. RS queried the situation with Red Diesel. FO advised that this had not affected the costs to date but had potential to do so in next financial year if Board undertake existing maintenance plan but that proposals would be brought to the next meeting.

**2021.60** Five Year Budget Estimate – FO took members through the report, again confirming that the effects of Red Diesel would not be added until members had decided on a course of action at the next meeting. RS queried how inflation was affecting the costs. FO confirmed that this had been calculated at the current rate for the first few years but that from years three to five this had been increased for a possible 2.5 to 3% increase.

### **ENGINEER'S REPORT**

**2021.61** Hydraulic Modelling – Eng. confirmed that Members would be kept up to date with any progress.

**2021.62** Ordinary Watercourses – Eng. advised that 75% of maintenance was now complete including a section at Radford Bank which had been in partnership with the Borough Council as riparian owner.

**2021.63** Silkmore Crescent Drain – Eng advised that Board approval was required to add Silkmore Crescent as an ordinary watercourse to the Board's maintenance plan. He added that he had been contacted by the County Councillor, LLFA and the EA to investigate the problems arising in the area reporting that a 120 metre stretch within the district had not been maintained for some time and was contributing to preventing the flow of water but was not the sole cause of flooding in the area. He continued by stating that at a cost of approximately £2,000 the watercourse had been reconditioned to try and alleviate the flood risk to the houses on Silkmore Crescent and was requesting Board approval to add this to the annual maintenance plan at an approx. cost of £150-£200 per year but noted it may not require work every year. He also added that further investigations were needed upstream as it appeared the watercourse had been filled in at some point. **FB proposed approval of and AL seconded.** Eng. then asked if members had any knowledge of the area historically it would be appreciated. AL stated there were a lot of older properties originating from the 1930s but that there had been a lot of new development which again raised the issue of making additions to old drainage systems. RC concurred there had been a lot of development adding that the old pioneer concrete works could have had an impact. TW stated that the Penk flooded down to Radford Bridge and suggested if the side tunnels were cleared this would help to reduce flow which should help with the issues in Rickerscote & Silkmore drains. Eng advised that Radford Bank was riparian responsibility but that the top section through the playground was the responsibility of the Borough Council and that the Board had maintained this section on behalf of the Borough. He added that the issue with the tunnels had been raised with County Highways to include on their jetting programme and that he would raise this with them again. RS asked for copy of this request so he could raise with David Williams.

### **HEALTH & SAFETY REPORT**

**2021.64** Information noted.

**2021.65** RS requested Clerk remind Board of situation with regard meetings. Clerk confirmed that Standing Orders had been updated allowing the Board to continue to hold virtual meetings in the future. After discussions with the Chair, it had been agreed that virtual meetings worked well for this Board and that two of the three meetings would be virtual with the summer meeting being in person to coincide with the County Show. RS concurred that this benefited the Board as resulted in a reduction of costs.

## **ENVIRONMENTAL REPORT**

- 2021.66** Doxey & Tillington Marshes SSSI – Clerk advised members that Staffordshire Wildlife Trust had approached the Board for funds to repair a section of footpath confirming that the Board paid £6,000 per year into the account. He referred to the quote in the papers and requested Board approval to use of the funds. **AL proposed and AH seconded.**
- 2021.67** Biodiversity Action Plan – Information noted. Clerk added that Jeff Sims had asked if he could give a brief presentation on the Stafford Brooks project to members at the next meeting. FB agreed that this would be helpful and that authorisation of the project was still awaited from the Highways Agency.

## **ANY OTHER BUSINESS**

- 2021.68** FB asked if the water quality of the watercourses was known. Eng. advised it was difficult as under the Land Drainage Act the Board were not required to monitor water quality. This was carried out by the EA from a pollution perspective although the Board did have an obligation to report any pollution incidents. The Clerk advised that another IDB has similar issues but with phosphates and that they had acquired a number of kits to test the areas where the issue was greatest. He added that it could be investigated for this Board with tests acquired for the Contractor to use to provide a baseline. FB stated would be pleased if this could be taken forward. RS asked PB if this was something the Borough monitored. PB responded not, they only looked at the watercourses that ran through Borough land in terms of maintenance. RS confirmed that members would like to have some feedback on water quality and the Clerk advised research would be undertaken and brought to the next meeting,

## **DATE OF NEXT MEETINGS**

- 2021.69** 9 February 2022, 30 June 2022 and 16 November 2022.

## **1.5 Matters arising there from not elsewhere on the Agenda**

- 2021.48 A request for further information has been sent to Mr D Williams and hopefully this will be received before the meeting.

## 2. Clerk's Report

### Recommendation:

- Members note information contained in the Report

### 2.1 Policy

There is 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 Environment Agency – Draft River Basin Plans

The Draft River Basin plans are out for consultation until 20 April 2022.

### 2.4 ADA - AGM & Conference

This year's annual conference was held on Wednesday 10th November 2021 via Microsoft Teams conference platform.

There were 143 in attendance.

#### OPENING ADDRESS

**Robert Caudwell**

Chair, ADA

- Environment Bill received Royal Assent yesterday.

#### OPENING ADDRESS

**Rebecca Pow MP**

Minister for the Environment, Department for Environment, Food & Rural Affairs

- Video message and unable to attend the conference.
- Net Zero commitment by 2050
- New Environmental Targets consultation next year
- Removing barriers for new IDBs and extending boundaries
- Drainage and Waste Water Management Plans – Requirement for Water Authorities
- Water Companies must reduce the discharge of sewage
- Reforming Abstraction Plan – licensing likely to move into EA Permitting System
- Under-used or harmful abstractions removed without compensation.
- EA developing a new National Guide on riparian responsibilities etc.
- Reviewing Schedule 3 of F&WM Act 2010 SuDS approvals etc.
- **Must improve water environment, Must adapt to climate change, and Must halt biodiversity loss**

## KEYNOTE PRESENTATIONS

### Sir Dieter Helm CBE

Professor of Economic Policy at the University of Oxford and Fellow in Economics at New College, Oxford and Independent Chair of the Natural Capital Committee

- Video message and unable to attend the conference.
- Natural capital assets
- To try to provide future generations with the benefits we see today
- Catchment as a system, all physical assets + natural capital, health & wellbeing etc.
- Maintain the assets first before considering enhancements / improvements

### Lord De Ramsey

ADA President

A closing address from the president's last term.

## 2.5 Board Key Performance Indicators

|   |   | Key Performance Indicators         |                 |         |      |           |  |
|---|---|------------------------------------|-----------------|---------|------|-----------|--|
|   |   | Inadequate                         | Work to be done | Adquate | Good | Very good |  |
| <b>SOW &amp; PENK INTERNAL DRAINAGE BOARD</b> | <b>Management of the Board</b>                              | Compliance with Audit Requirements |                 |         |      |           |  |
|   |   | Health & Safety                    |                 |         |      |           |  |
|   |   | Partnership working                |                 |         |      |           |  |
|   |   | Overall                            |                 |         |      |           |  |
|   | <b>Reduction of waterlogging &amp; flood risk to assets</b> | Asset Management                   |                 |         |      |           |  |
|   |   | Flood Risk Management Strategy     |                 |         |      |           |  |
|   |   | Flooding - Learning Outcomes       |                 |         |      |           |  |
|   |   | Overall                            |                 |         |      |           |  |
|   | <b>Environment</b>  | Water Framework Directive          |                 |         |      |           |  |
|   |   | Invasive Species/Designated Sites  |                 |         |      |           |  |
|   |   | Conservation & Biodiversity        |                 |         |      |           |  |
|   |   | Biodiversity Action Plan           |                 |         |      |           |  |
|   |   | Overall                            |                 |         |      |           |  |
|   | <b>Supporting</b>   | Financial Statements               |                 |         |      |           |  |
|   |   | Receipt of Drainage Rates          |                 |         |      |           |  |
|   |   | Governance Documentation           |                 |         |      |           |  |
|   |   | Overall                            |                 |         |      |           |  |
|   | <b>Overall Performance</b>                                  |                                    |                 |         |      |           |  |

### 3. Financial Report

**Recommendation:**

- To note the information contained in this report
- To approve the schedule of payments
- To approve the Risk Register
- To approve the Estimates for the Year Ending 31 March 2023

#### 3.1 Rating Report

Details of the Rates and Special Levies issued, and payments received up to and including 20 January 2022: -

|  | £          | £                        |
|--|------------|--------------------------|
| Balance Brought forward as at: 1 April 2021        |            | 801.13                   |
|  |            |                          |
| <b>2021/2022 Drainage Rates and Special Levies</b> |            |                          |
| Drainage Rates                                     |            | 11,371.25                |
| Special Levies                                     |            |                          |
| Stafford Borough Council                           | 108,979.00 |                          |
| South Staffordshire District Council               | 3,873.00   | 112,852.00               |
| <b>Total Drainage Rates Due</b>                    |            | <b><u>125,024.38</u></b> |
|  |            |                          |
| <b>Less Paid: -</b>                                |            |                          |
| Drainage Rates                                     |            | 10,801.20                |
| Special Levies                                     |            |                          |
| Stafford Borough Council                           | 108,979.00 |                          |
| South Staffordshire District Council               | 3,873.00   | 112,852.00               |
| <b>Total Drainage Rates Paid</b>                   |            | <b><u>123,653.20</u></b> |
|  |            |                          |
| <b>Balance Outstanding as at: 20 January 2022</b>  |            | <b><u>1,371.18</u></b>   |

#### 3.2 Rate Removal

| PROPOSED RATE REMOVAL |            |            |                     |  |
|-----------------------|------------|------------|---------------------|--|
| ACCOUNT               | HECTARES   | A.V.       | RATES TO BE REMOVED | REASON   |
| 1170                  | N/A        | N/A        | 28.73               | Arrears Only – Ratepayer gone away and unable to trace |
| <b>TOTALS</b>         | <b>N/A</b> | <b>N/A</b> | <b>28.73</b>        |  |

### 3.3 Schedule of Payments

Payments made since those reported at the previous meeting:

| DATE        | REF  | PAYEE | DESCRIPTION  | TOTAL                        |                 |
|-------------|------|-------|--|------------------------------|-----------------|
|             |      |       |  | £                            |                 |
| <b>2021</b> |      |       |  |                              |                 |
| Oct         | 29th | -     | Lloyds Bank plc  | Bank Fees                    | 9.40 *          |
| Nov         | 2nd  | -     | Lloyds Bank plc  | Lloyds Commercial Fees       | 50.30 *         |
|             | 11th | -     | EVO Payments International   | Cardnet Fees                 | 59.30 *         |
|             | 23rd | -     | Lloyds Bank plc  | Bank Fees                    | 1.50 *          |
|             | 29th | -     | Lloyds Bank  | Bank Fees                    | 4.13 *          |
| Dec         | 3rd  | -     | Lloyds Commercial Fees   | Lloyds Commercial Fees       | 51.20 *         |
|             | 10th | -     | EVO Payments International   | Cardnet Fees                 | 23.20 *         |
|             | 23rd | 17    | Environment Agency   | Flood Defence Levy           | 2,158.75 *      |
|             |      | 20    | Schofield Sweeney LLP  | Legal Fees - Rate Demands    | 162.00 *        |
|             | 24th | -     | Lloyds Bank plc  | Bank Fees                    | 1.80 *          |
|             | 29th | -     | Lloyds Bank plc  | Bank Fees                    | 3.61 *          |
| <b>2022</b> |      |       |  |                              |                 |
| Jan         | 4th  | -     | Lloyds Bank plc  | Lloyds Commercial Fees       | 50.00 *         |
|             | 13th | -     | EVO Payments International   | Cardnet Fees                 | 15.44 *         |
|             | 20th | 19    | Information Commissioner   | Data Protection Registration | 35.00 *         |
|             |      |       | <b>Total Amount of all Payments</b>                                |                              | <b>2,625.63</b> |
|             |      |       | <b>* Total Amount of Cheques sent out signed by the Clerk Only</b> |                              | <b>2,625.63</b> |

### 3.4 Audit

#### 3.4.1 Internal Audit

The meeting of the Audit Review Panel was held on 22 November 2021 and the minutes of the meeting can be viewed at Appendix B.

#### 3.4.2 External Audit

Nothing to report.

#### 3.4.3 Risk Register

The risk register is attached at Appendix C and requires the Board's approval.

### 3.5 Estimate, Rates & Special Levies for the Year Ending 31 March 2023

|  | 2021/22              |                    |                      |  | 2022/23       |                      |
|--|----------------------|--------------------|----------------------|--|---------------|----------------------|
| Approved Estimate  |                      | Estimated Out-Turn |                      |  |               | Estimate             |
| £  | £                    | £                  | £                    |  | £             | £                    |
|  |                      |                    |                      | <b>INCOME</b>                                |               |                      |
|  |                      |                    |                      | <b>Drainage Rates on Agricultural Land:-</b> |               |                      |
| 11,342   |                      | 11,342             |                      | 7p in £ on AV of £170,997                    | 11,970        |                      |
|  |                      |                    |                      | <b>Special Levy:-</b>                        |               |                      |
|  |                      |                    |                      | Stafford Borough Council                     |               |                      |
| 108,979  |                      | 108,979            |                      | 7p in £ on AV of £1,638,785                  | 114,715       |                      |
|  |                      |                    |                      | South Staffs District Council                |               |                      |
| 3,873  |                      | 3,873              |                      | 7p in £ on AV of £58,240                     | 4,077         |                      |
| 100  |                      | 1,650              |                      | Other Income                                 | 200           |                      |
| <u>200</u>   | 124,493              | <u>225</u>         | 126,069              | Interest etc                                 | <u>50</u>     | 131,011              |
|  |                      |                    |                      | <b>EXPENDITURE</b>                           |               |                      |
| 8,900  |                      | 8,635              |                      | Flood Defence Levy                           | 8,900         |                      |
|  |                      |                    |                      | <b>Conservation Budget:</b>                  |               |                      |
| 3,000  |                      | 3,000              |                      | Biodiversity Action Plan                     | 3,000         |                      |
|  |                      |                    |                      | <b>Maintenance:</b>                          |               |                      |
| 81,681   |                      | 86,000             |                      | Maintenance                                  | 84,222        |                      |
|  |                      |                    |                      | <b>Administration:</b>                       |               |                      |
| 3,000  |                      | 0                  |                      | County Showground                            | 3,000         |                      |
| <u>26,591</u>  | <u>123,172</u>       | <u>24,475</u>      | <u>122,110</u>       | Administration                               | <u>27,190</u> | <u>126,312</u>       |
|  | 1,321                |                    | 3,959                | Surplus - (Deficit)                          |               | 4,699                |
|  | <u>85,872</u>        |                    | <u>84,088</u>        | Balance Brought Forward                      |               | <u>82,047</u>        |
|  | 87,192               |                    | 88,047               |  |               | 86,746               |
|  | <u>6,000</u>         |                    | <u>6,000</u>         | Transfer To Doxey & Tillington Marshes Acc.  |               | <u>6,000</u>         |
|  | <b><u>81,192</u></b> |                    | <b><u>82,047</u></b> | <b>Balance Carried Forward</b>               |               | <b><u>80,746</u></b> |
| <b>Previous Years Rates in the £</b>   |                      |                    |                      |  |               |                      |
| 1995/1996 : 4p - 1996/1997 : 4.2p - 1997/1998 : 4.2p - 1998/1999 : 4.2p - 1999/2000 : 4.2p - 2000/2001 : 4.2p - 2001/2002 : 4.2p   |                      |                    |                      |  |               |                      |
| 2002/2003 : 4.2p - 2003/2004 : 4.4p - 2004/2005 : 4.4p - 2005/2006 : 4.4p - 2006/2007 : 4.4p - 2007/08 : 4.4p - 2008/09 : 4.6p     |                      |                    |                      |  |               |                      |
| 2009/10: 4.6p - 2010/11 : 4.6p - 2011/12 : 5p - 2012/13 : 5.4p - 2013/14 : 6p - 2014/15: 6.12p - 2015/16 : 6.12p - 2016/17 : 6.24p |                      |                    |                      |  |               |                      |
| 2017/18: 6.24p - 2018/19: 6.36p - 2019/20 : 6.5p - 2020/21 : 6.65p- 2021/22 : 7p   |                      |                    |                      |  |               |                      |
| <b>Penny Rate : £18,245</b>  |                      |                    |                      |  |               |                      |



| DOXEY & TILLINGTON MARSHES SSSI WLMP ACCOUNT |                      |                       |                      |                                |           |                      |
|--|----------------------|-----------------------|----------------------|--------------------------------|-----------|----------------------|
| 2021/22                                      |                      |                       |                      | 2022/23                        |           |                      |
|  | Estimate             | Estimated<br>Out-Turn |                      |                                |           | Estimate             |
| £  | £                    | £                     | £                    |                                | £         | £                    |
|  |                      |                       |                      | <b>INCOME</b>                  |           |                      |
| 6,000  |                      | 6,000                 |                      | Transfer From Revenue          | 6,000     |                      |
| <u>30</u>                                    | 6,030                | <u>30</u>             | 6,030                | Interest etc                   | <u>50</u> | 6,050                |
|  |                      |                       |                      | <b>EXPENDITURE</b>             |           |                      |
|  |                      |                       |                      | <b>Maintenance:</b>            |           |                      |
| 1,230  |                      | 3,389                 |                      | Maintenance                    | 1,230     |                      |
|  |                      |                       |                      | <b>Capital Expenditure:</b>    |           |                      |
| <u>0</u>                                     | <u>1,230</u>         | <u>0</u>              | <u>3,389</u>         | Capital Expenditure:           | <u>0</u>  | <u>1,230</u>         |
|  | 4,800                |                       | 2,641                | Surplus - (Deficit)            |           | 4,820                |
|  | <u>67,355</u>        |                       | <u>67,396</u>        | Balance Brought Forward        |           | <u>70,037</u>        |
|  | <b><u>72,155</u></b> |                       | <b><u>70,037</u></b> | <b>Balance Carried Forward</b> |           | <b><u>74,857</u></b> |



## 4. Engineer's Report

### Recommendation(s):

- To note the information contained in this report

### 4.1 Asset Management

#### 4.1.1 Hydraulic Modelling

The Environment Agency has confirmed that the calibration of the flow gauges which is critical to present realistic outputs is due to be completed in January and they anticipate completion of the modelling in Spring 2022.

The calibration of flow gauges is a further piece of additional work by the EA to improve the modelling and mapping for the Stafford area including the integration of the IDB modelling work.

#### 4.1.2 Ordinary Watercourses

Planned maintenance is substantially complete with some minor works still underway.

A 70-metre section of ordinary watercourse between Silkmore Crescent and the newly restored watercourse which flows into Rising Brook / Silkmore Drain is being investigated by the IDB Contractor.

The County Council has been approached to confirm the jetting programme for the following ordinary watercourse systems:

- Silkmore Crescent – near to No.70 Silkmore Crescent, Stafford.; this follows on from communications between ourselves last year after the IDB has maintained a section of ordinary watercourse downstream of Silkmore Crescent to permit flow into Silkmore Drain / Rising Brook.
- Radford Bank (A34) – ordinary watercourse culvert beneath Radford Bank adjacent Aldi; this follows on from riparian maintenance on the ordinary watercourse undertaken a few years ago by the owner of the fields to the north and south of Radford Bank to permit flow into the River Penk.

We have been in contact with Cllr Edgeller, Stafford South East Division and provided an overview of the current position on Silkmore Crescent summarised as follows:

*Overview of the current position:*

- *the IDB cleared the downstream watercourse in September 2021 to permit flow into the Rising Brook / Silkmore Drain*
- *the County Council are to jet the road culvert near to No.70*
- *any private pipe/culvert system would be the responsibility of riparian owners*
- *watercourses or culverted watercourses upstream (north) of No.70 would be riparian*
- *the IDB has agreed to maintain the watercourse downstream of Silkmore Crescent using their permissive powers and this would be considered annually.*
- *Upstream (north) of the No.70 there remains uncertainty on any clear flow path, however, the focus on the initial works / flood risk was to provide a downstream outlet from No.70.*

We have also contacted EA Flood Risk colleagues to seek further information from their Pollution Team as well as an outline of Pollution responsibilities / response times which will be circulated to Members upon receipt.

## **4.2 Planning, Consents & Enforcement**

### **4.2.1 Planning Applications**

Our email address for planning enquiries is [planning@shiregroup-idbs.gov.uk](mailto:planning@shiregroup-idbs.gov.uk)

Officers have reviewed planning applications between October 2021 and January 2021, of which 1 has required comment on behalf of the Board.

### **4.2.2 Land Drainage Act 1991 Section 23 and 66 (Byelaw) Consents**

Our email address for consent applications is [consents@shiregroup-idbs.gov.uk](mailto:consents@shiregroup-idbs.gov.uk)

No consent applications have been received by the Board between October 2021 and January 2022.

## 5. Health and Safety Report

**Recommendation:**

- Members note information contained in the Report

### 5.1 Accidents, Incidents and near misses

No accidents, incidents or near misses to report.

### 5.2 COVID-19

The situation is being monitored carefully to enable the Board's employee to carry out his duties safely and in accordance with Government guidelines.

**Board operations**

During this period, the Board's day-to-day activities have not been adversely affected.

## 6. Environmental Adviser's Report

### Recommendation:

- Members note information contained in the Report

### 6.1 Legislation

Nothing to Report.

### 6.2 Policy

Nothing to Report.

### 6.3 Doxey & Tillington Marshes SSSI

The track repairs have not yet been undertaken.

### 6.4 Biodiversity Action Plan

#### 6.4.1 Stafford Brooks Project

David Cadman, Staffordshire Wildlife Trust, will deliver a short project overview.

#### 6.4.2 Monitoring

Regarding the BAP monitoring, in the past SWT have carried out specific species monitoring, and they are going to come back to the Board with some specific suggestions to monitor areas related to the Stafford Brooks project.

#### 6.4.3 Nitrate and Phosphate Testing

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 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**

## **8. Date of Next Meetings**

30 June 2022

16 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**

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

## Sow & Penk IDB- Risk Register Jan 2022

|  | OBJECTIVE   | RISK   | Current Controls/Assurances  | Risk                                     |                               |                               | Status                                 | Mitigation/Action Plan  | Owner/Target Date    |                      |
|--|---|--|--|--|-------------------------------|-------------------------------|--|---|----------------------|----------------------|
|  |   |  |  | Impact                                   | Likelihood                    | Score                         |  |   |                      |                      |
| S<br>U<br>S<br>T<br>A<br>I<br>N<br>A<br>B<br>I<br>L<br>I<br>T<br>Y | Objective 1 :<br>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<br>The board has an extensive list of policies | Med                                      | Unlikely                      | 2                             | ACCEPT- RISK LEVEL ACCEPTABLE          |   | Next Review 30/06/22 |                      |
|  |   |  | Contractors go through tender process if necessary   | Med                                      | Likely                        | 4                             | REDUCE- ACTION REQUIRED TO REDUCE RISK | Monitor Suppliers/Review Succession Plans<br>Disaster/Emergency Protocols<br>Online Communication- Microsoft Teams  | Next Review 30/06/22 |                      |
|  |   | Timely Contractual performance review- Time & Quality  |  |  |                               |                               |  |   |                      |                      |
|  |   | Succession Planning/Business Continuity Reviews  |  |  |                               |                               |  |   |                      |                      |
|  |   |  | National/International Emergencies   | Disaster Recovery Plans                  |                               |                               |  |   |                      |                      |
|  | Objective 2:<br>Promote & Integrate Biodiversity with the boards primary and operational activities     | Risk of prosecution for not adhering to Environmental Legislation  | Board directly employs a suitably qualified Env. Officer   | High                                     | Unlikely                      | 3                             | REDUCE- ACTION REQUIRED TO REDUCE RISK | Refresher presentation to be given to Operatives & Contractors before start of summer works season.<br>Continue to communicate Environmental best working practices | Env Officer- 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 |
|  |   | Lack of staff training, not provided with the relevant training and information to ensure necessary steps are taken with regard to Diversity | Contractors are advised in environmental matters   | High                                     | Unlikely                      | 3                             | REDUCE- ACTION REQUIRED TO REDUCE RISK | Refresher presentation to be given to Operatives & Contractors before start of summer works season.<br>Continue to communicate Environmental best working practices | Env Officer- Ongoing |                      |
| Training made available (Badgers License etc)                      |   |  |  |  |                               |                               |  |   |                      |                      |
| Develop plans to mitigate the risk of destroying habitat           |   |  |  |  |                               |                               |  |   |                      |                      |
| I<br>N<br>N<br>O<br>V<br>A<br>T<br>I<br>O<br>N                     | Objective 3:<br>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   |  |                               |                               |  |   |                      |                      |
|  |   | Uncertainty- results limited as technology/methods are in early stages of its lifecycle  | The Board would always look to trial new technology  | Med                                      | Unlikely                      | 2                             | ACCEPT- RISK LEVEL ACCEPTABLE          |   | Next Review 30/06/22 |                      |
|  | Economies of Scale through Shire Group of IDBs reduces risk to SPIDB<br>Regulation with in the industry |  |  |  |                               |                               |  |   |                      |                      |
|  | Objective 4:<br>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   | Legislative/Industry developments promoted on the website and in meetings                                      | Low                                      | Likely                        | 2                             | ACCEPT- RISK LEVEL ACCEPTABLE          |   | Next Review 30/06/22 |                      |
| Elected/Nominated split dependant on Annual Values                 |   |  |  |  |                               |                               |  |   |                      |                      |
| Nominated members typically have knowledge of WLM                  |   |  |  |  |                               |                               |  |   |                      |                      |
| Short Termism- Reduction of cost philosophy                        |   | Elected members must be nominated by Landowners in the district  | Low  | Likely                                   | 2                             | ACCEPT- RISK LEVEL ACCEPTABLE |  | Next Review 30/06/22  |                      |                      |
|  | STP/MTP/LTP   |  |  |  |                               |                               |  |   |                      |                      |
| Unsuitable members appointed to the Board                          | Long Term Forecasting, 20 years Budget plans, Long Term Capital plan                                    | Low  | Unlikely   | 1  | ACCEPT- RISK LEVEL ACCEPTABLE |                               | Next Review 30/06/22                   |   |                      |                      |
|  | Elected members must be nominated by Landowners in the district<br>Members register of interest         |  |  |  |                               |                               |  |   |                      |                      |

| OBJECTIVE   | RISK  | Current Controls/Assurances  | Risk  |            |          | Status                                 | Mitigation/Action Plan   | Owner/Target Date   |                                  |   |          |          |  |   |   |  |      |          |   |  |   |                       |
|---|---|--|---|------------|----------|--|--|---|----------------------------------|---|----------|----------|--|---|---|--|------|----------|---|--|---|-----------------------|
|   |   |  | Impact  | Likelihood | Score    |  |  |   |                                  |   |          |          |  |   |   |  |      |          |   |  |   |                       |
| STAKEHOLDER VALUE                                   | Objective 5:<br>To be a self sufficient IDB that provides value to 'our' stakeholders at all times  | Reduction in income to the Board to maintain an appropriate provision of services  | Systems and processes to maximise income opportunities and collection<br>Timely invoicing of Drainage Rates account holders annually, monitoring of collection rates and take follow-up action when non-payment.<br>Submit Highland Water claims to the EA.   | 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    |   |          |          |  |   |   |  |      |          |   |  |   |                       |
|   |   | Increased Expenditure, exemption for Red Diesel removed. Fuel costs increase therefore Contractor costs could increase significantly | Reserve Policy in Place for this scenario<br>In dialogue and will work with contractors<br>Budget & Contracts allow for flexibility, Variable Cost  | High       | Likely   | 6                                      | TRANSFER- RISK TOO HIGH, TRANSFER ELSEWHERE IF POSSIBLE (EG. INSURANCE)                            | The board need to plan how they mitigate this likely increase cost for Drain Maintenance. Options will be provided & discussed at the January meeting.  | SGAT Jan 22                      |   |          |          |  |   |   |  |      |          |   |  |   |                       |
|   |   | 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<br>Approved Suppliers List with specific criteria that is regularly monitored   |            |          |  |  |   |                                  |   |          |          |  |   |   |  |      |          |   |  |   |                       |
|   |   | Perception that this isn't the case  | Internal/External Audits & IDB1 forms<br>Website promoting board Activities<br>Lead Role in partnership working/PSCA agreements   | Med        | Likely   | 4                                      | REDUCE- ACTION REQUIRED TO REDUCE RISK   | Promote the board, shout about the good work Sow & Penk IDB do<br>Tap into to Social Media to do this   | SGAT- Ongoing                    |   |          |          |  |   |   |  |      |          |   |  |   |                       |
|   | 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:<br>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<br>Historic Agreements<br>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             |   |          |          |  |   |   |  |      |          |   |  |   |                       |
|   |   |  | Lack of formal structure and clear risk-sharing arrangements  |            |          |  |  |   |                                  | Good working relationship with LLFA<br>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   |      |          |   |  |   |                       |
|   |   | Internal & External Conflicts, which could create a lack of trust  | Conflict Management Policy  | 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             |   |          |          |  |   |   |  |      |          |   |  |   |                       |
| Open & Honest- 100% Transparent- Minutes on website |   |  |   |            |          |  |  |   |                                  |   |          |          |  |   |   |  |      |          |   |  |   |                       |
| COMPLIANCE  | Objective 7:<br>Ensure that the board always complies with all recommended accounting practices   | Adverse audit reports, legal action and loss of confidence in the IDB.   | Put in place a satisfactory Governance framework, including:<br>- Internal Audit contract & access to the Boards.<br>- External Audit Service<br>- Financial regulations in place for each Board<br>- Business continuity & recovery plan<br>- Insurance Policies proportionate to identified risks<br>- Appropriate ICT systems to support key functions (Ratings, Finance and GIs).<br>- ADA Practitioners' Guide (2006), as revised 2017<br>- Data processing, handling and retention in compliance with ICO's Guidance & Licence for each Board.<br>Adhere to Board Approved Financial Regulations<br>Experienced and suitably qualified finance officers | 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<br>2. Review current SGAT processes & procedures and update where appropriate | Finance Team- May 2022 & Ongoing |   |          |          |  |   |   |  |      |          |   |  |   |                       |
|   |   | Loss of Cash through error or fraud  | Bank Mandate in place, always two signatories needed<br>New Supplier Checks- Proof of Banking Details<br>All Purchase Ledger Transactions are reviewed by the board<br>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   |  |      |          |   |  |   |                       |
|   |   |  | Loss of Control through inadequate processes.   |            |          |  |  |   |                                  |   |          |          |  |   |   | Audit approved documented processes, that have a clear segregation of duties<br>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 |
|   |   |  |   |            |          |  |  |   |                                  |   |          |          |  |   |   | Liquidity issues, lack of reserves   |      |          |   |  |   |                       |
|   | Objective 8:<br>Ensure that at all times the board complies with all current EU & UK legislation  | Risk to Board Members  | Qualified & experienced staff attempt to advise the board<br>Ultimately, all decisions should be discussed and made as a collective<br>Adequate insurance underaken   | Med        | Unlikely | 2                                      | ACCEPT- RISK LEVEL ACCEPTABLE  | Monitor any changes to current EU & UK legislation  | Next Review 30/06/22             |   |          |          |  |   |   |  |      |          |   |  |   |                       |
|   |   |  | Non-compliance with legislation, regulations good practice resulting in prosecution, fines /penalties / sanctions and loss of confidence in the Board(s).   |            |          |  |  |   |                                  | Access specialist advice as required, eg Finance, Legal, H&S, Insurance, etc.<br>Peer Group support, e.g. ADA's Policy & Finance and Technical Committees | High     | Unlikely | 3                                      | REDUCE- ACTION REQUIRED TO REDUCE RISK  | Monitor any changes to current EU & UK legislation  | Next Review 30/06/22   |      |          |   |  |   |                       |
|   |   |  |   |            |          |  |  |   |                                  |   |          |          |  |   |   |  |      |          |   |  |   |                       |





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