

MINUTES OF THE BOARD MEETING OF THE OUSE AND HUMBER DRAINAGE BOARD HELD AT 9.00AM ON TUESDAY 10 FEBRUARY 2015 AT BOOTHFERRY GOLF CLUB, SPALDINGTON LANE, HOWDEN, DN14 7NG

PRESENT: Mr R Patchett (Chairman), Cllr K West* (Vice Chair), Cllr S Lane*, Cllr C Mole*, Mr T Featherby, Mr J Sweeting, Mr R Nicholls, Cllr V Aitken* Mr I Screeton†, Cllr C Bayram*, Mr J Atkinson*, Mr C Mowforth, Mr S Martin*, Mr J Traill*

* Denotes Appointed Member † Denotes Co-opted Member

IN ATTENDANCE: Mr A Morritt (Chief Executive) Mr E Allen (Chief Engineer) Mrs Y Huitson (Secretary).

APOLOGIES: Mr J Wright, Mr S Towse, Mr J Hick, Mr R Falkingham, Cllr A Burton, Cllr P Pollard.

ABSENT: Mr A Wraith

2. **DECLARATIONS OF INTEREST:** Mr Sweeting declared an interest as a Director of Sweeting Bros, one of the Board contractors and in item 9 on the agenda.

The Chairman informed members that East Riding of Yorkshire Council had nominated Cllr Nigel Wilkinson to replace Cllr Nick Evans.

It was:

Proposed: Cllr Bayram Seconded: Cllr Aitken

And unanimously RESOLVED to ACCEPT Cllr Wilkinson's nomination as an Appointed Member

3. **MINUTES OF THE BOARD MEETING:** held on 4 November 2014 and previously circulated were presented to the Board, there were no matters arising.

It was: -

Proposed: Cllr West Seconded: Cllr Bayram

And unanimously RESOLVED that the minutes be APPROVED and CONFIRMED as a true record.

4. **MINUTES OF THE EXECUTIVE COMMITTEE MEETING:** held on 13 January 2015 and as previously circulated were presented to the Board, there were no matter arising.

It was:

Proposed: Cllr Aitken Seconded: Cllr West

And unanimously RESOLVED to ADOPT the minutes as presented.

5. FINANCIAL REPORTS:

i) **Income and Expenditure (Variance) Report**

The Chief Executive presented the previously circulated report, explaining the variances and position against budgets.

It was:

Proposed: Mr Atkinson Seconded: Mr Traill

And unanimously RESOLVED to APPROVE and ACCEPT the Income and Expenditure (Variance) Report for quarter 3 as presented.

ii) **Balance Sheet**

The Chief Executive presented the previously circulated Balance Sheet for Quarter 3

It was:

Proposed: Cllr Lane Seconded: Cllr Aitken

And unanimously RESOLVED to APPROVE and ACCEPT the Balance Sheet and transfers for quarter 3 as presented.

iii) **Invoices Paid and Accounts Settled**

Members considered the contents of the previously circulated report. After consideration and review

It was:

Proposed: Cllr West Seconded: Mr Martin

And unanimously RESOLVED to CONFIRM and APPROVE expenditure of £373,625.75 for the quarter.

iv) **Write Offs**

The Chief Executive summarised the previously circulated information, after discussion

It was:

Proposed: Cllr Aitken Seconded: Cllr West

And unanimously RESOLVED to APPROVE write offs totalling £232.88 for 2014/15 and £1,669.55 pre 2014/15.

6. REPORTS AND ESTIMATES

ii) **Internal Controls and Governance**

The Chief Executive detailed the previously circulated report, highlighting the Pre-Qualification issued by the External Auditor regarding recording of minutes and the Internal Auditors report for February 2015.

Members reviewed the previously circulated Internal Controls, Audit and Accounting Procedures, in accordance with the Annual Governance Statement and Summary of Annual Review of Internal Controls documents.

In response to Mr Featherby, the Chief Executive detailed the role of members when reviewing the Board's internal controls and confirmed that 3 internal audits were undertaken by Yorkshire Internal Audit Services.

In response to Mr Martin the Chief Executive confirmed the findings of his own reviews and the internal auditors are presented to the Board.

A discussion followed on roles and responsibilities of officers and members and the control of delegated authorities.

After completing a full and thorough review of the Boards Internal Controls, Audit and Accounting Procedures

It was:

Proposed: Mr Sweeting Seconded: Cllr Bayram

And unanimously RESOLVED that the Boards Internal Controls had been reviewed and that the Annual Governance Statement could be signed.

iii) **Future of Audit**

The Chief Executive summarised the previously circulated report outlining the options available to IDB's. Further updates will be provided.

iv) **Staff Pay**

The Chief Executive summarised the previously circulated report highlighting the impending retirement of two operational staff members and the savings rationalisation of the Foremen's salaries would deliver.

In response to Cllr Bayram the Chief Executive confirmed the ADA White Book Agreement was different from Local Government Agreements.

After discussion it was:

Proposed: Cllr West Seconded: Cllr Lane

And unanimously RESOLVED to APPROVE a provision for a 2% wage increase in the Budget Estimate for 2015/16.

v) **Depot**

The Chief Executive detailed the previously circulated proposal to relocate operational activities to a single depot, highlighting the operational and financial savings this would generate. Further information was circulated to that effect.

In response to Mr Mowforth it was confirmed that 2 foremen were required for effective operations.

Mr Screeton sought further confirmation on the costs of a potential new build at Howdendyke and the impact on Capital Reserves and possibility of loans/grants to fund this option.

The Chief Executive felt given the ongoing issues with FDGiA capital funding it would be unwise to use Capital Reserves for this type of project. This point was supported by the Chairman.

In response to Mr Martin, it was confirmed that break options for 3, 5 and 7 years would be included in a proposed 10 year lease.

A discussion followed on the merits of the existing office at 91 Bridgegate. Mr Screeton confirmed the value at circa £150,000 pointing out the difficulties of conversion to a residential dwelling.

Mr Martin felt the value of merging the two existing teams should not be underestimated.

It was:

Proposed: Cllr Bayram Seconded: Cllr Lane

And unanimously RESOLVED to relocate operational staff to a single depot at Unit 4, Carr Lane, Newport, and that facilities be purchased as per Option 2 presented.

The Chief Executive confirmed Mr Eastwood was to retire on 20 February 2015 and Mr O'Brien was to retire on 27 February 2015. A buffet lunch and presentation was being held on 19 February 2015 to which members were invited.

The Chairman acknowledged retiring staffs contribution to the Board and wished the Board's thanks be duly minuted.

vi) **Future Capital Requirement**

A discussion took place on the previously circulated report.

In response to Cllr Aitken it was confirmed that investment strategy had been delegated to the Executive Committee.

The Chief Executive confirmed the Future Capital Requirement would be reviewed after tender costs for the new capital schemes were known.

Mr Featherby supported the proposed strategy

In response to Cllr Bayram the Chief Engineer stated refurbishment at Yokefleet, Skelton and Faxfleet had cost £300k, £250k and £60k respectively. Also stating future refurbishments were unlikely to attract significant grant funding.

Cllr Bayram felt it was too big a risk to future refurbishments to solely rely on the Boards Capital Reserves.

It was:

Proposed: Cllr Bayram Seconded: Mr Atkinson

And unanimously RESOLVED to:

- *Transfer any year end surplus to the reserves*
- *Allocate an additional £15,000 to the reserves*
- *Make a provision of £30,000 in the Budget Estimate for 2015/16 for the Public Works Loan Board.*

vii) **Public Sector Cooperation Agreement**

The Chief Executive summarised the previously circulated report explaining the impact of reduced Environment Agency budgets and the effect on the Boards activities.

The Chairman stated elevated silt levels in Market Weighton Canal upstream of the river confluence resulted in additional pumping costs for the Board

Mr Traill stated that any financial contributions made by the Board could attract additional funding through Yorkshire Wildlife Trust, possibly at 10 to 1 ratio for joint water level and habitat management projects.

Mr Featherby felt that the requested £10,000 was justified given the importance of the canal and river system to the Board's activities.

In response to Mr Mowforth, the Chief Executive confirmed that for the Board to assume formal responsibility of Market Weighton Canal, either a change of legislation or a change of designation would be required.

In response to the Chairman, the Chief Executive confirmed the Board would be apprised of any Public Sector Cooperation Agreement works undertaken.

Mr Featherby felt it was important to trust officers judgement on what works were done.

It was:

Proposed: Cllr Lane Seconded: Cllr West

And unanimously RESOLVED to make a provision of £10,000 to support the Public Sector Cooperation Agreement in the Budget Estimate for 2015/16.

viii) Partnerships

The Chief Executive summarised the previously circulated report.

The Chief Engineer informed the Board that Andrew Percy MP had agreed to become President of the ADA's Northern Branch.

In response to Mr Mowforth, Mr Traill summarised the work of the River Derwent Restoration Project, stating his belief Board officers should have an active role, due to the impact of the Lower Derwent on the Board's activities.

It was:

Proposed: Cllr West Seconded: Mr Screeton

And unanimously RESOLVED to SUPPORT officer's participation in Partnership activities.

ix) Plant and Vehicles

The Chief Executive summarised the previously circulated report

It was:

Proposed: Cllr Bayram Seconded: Cllr Aitken

And unanimously RESOLVED to include a provision of £17,800 in the Budget Estimate for 2015/16 to enable a review of the Board's vehicle fleet.

Capital Projects

The Chief Engineer summarised the previously circulated report and updated the Board on current progress of the North Howden, Eastington and Laxton, and Gilberdyke and Blacktoft Schemes

It was confirmed that Atkins Ltd were being appointed under the previously agreed YORconsult framework to undertake consultancy work on the North Howden scheme. Total cost circa £400k (£350k developer, £50k Ouse and Humber Drainage Board)

Cllr Aitken thanked officers for their participation at the recent meeting with Blacktoft Parish Council. The meeting was useful and informative.

x) Annual Values

The Chief Executive summarised the previously circulated report explaining the reasons for the changes in valuations.

In response to Cllr Bayram it was confirmed that the Horsefair/North Howden development of circa 800 properties would result in a significant increase in the Developed Value but this would probably be phased to match the rate of development.

It was:

Proposed: Cllr Lane Seconded: Cllr Aitken

And unanimously RESOLVED to APPROVE the revaluations as presented and the Total Annual Value of £8,655,781

xi) Setting of Drainage Rate and Special Levy

The Chief Executive detailed the previously circulated report and the reasoning behind the suggested increase of 0.3p to 11.4p in the pound.

Mr Featherby felt the increase was justified given the additional works on the Foulness.

The Chief Executive confirmed that 42% of the required increase in expenditure had been offset against efficiency savings.

Cllr Lane felt he could support the recommendation.

The Chairman stated the Board must ensure the Budget Estimates and rate were robust.

The Chief Executive felt the current budget and rate was robust and could be justified when taken in conjunction with the efficiencies that had been delivered.

Cllr Bayram stated Option C (11.1p) was his preferred option.

The Chairman felt that the work funded by an increase this year would help offset potential increases in future years.

The Chief Engineer reminded the Board that a circa 60% contribution towards IDB Special Levy was included in the Local Government formula grant, also acknowledging that this money was not ring fenced.

It was:

Proposed: Cllr Lane Seconded: Mr Atkinson

And RESOLVED by a majority of 12 in favour to 1 against with no abstentions, to set the Drainage Rate for 2015/16 at 11.4p with a corresponding Special Levy of £535,987.64 to be set against East Riding of Yorkshire Council

7. RIVER FOULNESS

The Chief Engineer summarised the previously circulated report and updated the Board on progress on the River Foulness tree works. He stated that cooperation with landowners had reduced a 5 year programme to 2 years.

A small number of landowners in the middle reaches of the River Foulness had yet to reply to the Board's request for cooperation; this would be revisited in after the existing planned works had been completed.

Mr Traill highlighted the potential drawbacks of large scale tree removal on water take up and bank stability. The Chief Executive confirmed landowners had been advised of these potential issues and given advice on how to implement any work undertaken.

The Chief Engineer stated flail mowing was now possible on a greater length of bank. This would be carried out on a rotational basis to assist in habitat management.

The Chairman was delighted at the level of progress that had been achieved and thanked all involved for their contribution, particularly Cllrs West and Aitken, and Messrs Towse and Wright who had spent a great deal of time speaking with landowners.

8. DANVM GOVERNANCE AUDIT

The Chief Executive summarised the previously circulated report, explaining how this would be used as a reference for his next review of the Board's governance procedures. He also stated that once completed a further audit would be carried out by the Internal Auditors.

A discussion followed on the merits and issues surrounding publishing of Draft Minutes of meetings. The Chief Executive stated he would bring his recommendations to the Board when his review was complete.

11. DATES OF NEXT MEETINGS:

The Board discussed the benefits of changing meeting days and times, but it was agreed that Tuesdays were the most convenient for the majority of members.

Dates of the next Board Meetings

Tuesday 19 May 2015
Tuesday 11 August 2015
Tuesday 10 November 2015
Tuesday 9 February 2016

Executive Committee

Tuesday 30 June 2015
Wednesday 12 January 2016

12 AOB

Mr Traill informed members of the upcoming Waterways Partnership conference at Sewerby Hall and the community engagement events at Holme upon Spalding Moor and Driffield regarding the River Basin Management Plans and the CaBA pilots.

The Chief Executive invited appointed members to attend the ADA Local Government seminar at Peterborough on the 19 March 2015. Cllrs West and Lane will be attending.

The Chairman thanked members and officers for their contribution and closed the meeting at 12.10pm.