



OUSE and HUMBER DRAINAGE BOARD

A public body delivering flood risk, water level and habitat management in Yorkshire and the Humber

MINUTES OF THE FULL BOARD MEETING HELD AT 9.00AM ON TUESDAY 8 NOV 2016

AT BOOTHFERRY GOLF CLUB, SPALDINGTON LANE, HOWDEN, DN14 7NG

PRESENT:

Ratepayer Members: Mr Patchett (C) Mr Nicholls Mr Sweeting Mr Mowforth
Mr Wright Mr Falkingham Mr Featherby Mr Henley
Mr Screeton

Appointed Members: Cllr West (VC) Cllr Aitken Mr Traill Cllr Bayram
Mr Atkinson Mr Martin Cllr Galbraith Cllr Marwood
Cllr Pollard Cllr Wilkinson Cllr Roberts

Co-Opted Members:

Members Present: 20

APOLOGIES:

Ratepayer Members: Mr Hick

Appointed Members: Cllr Stathers

Co-Opted Members:

ABSENT:

Ratepayer Members:

Appointed Members:

Co-Opted Members: 1 Vacancy

IN ATTENDANCE:

Officers: Mr McLachlan – Chief Executive Mr Allen – Chief Engineer
Mrs Huitson - Minutes

Others:

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22. Welcome and Introductions

- 22.1. The CEO commenced the meeting at 09:05 and thanked Members for a positive turnout. He explained that because this was the AGM, a number of procedural matters needed to be considered first, namely, the election of a new Chairman, Vice Chairman and other members. With the Board's consent, the CEO led these proceedings.
- 22.2. The CEO invited comments from the floor regarding the two outgoing members, Mr Wraith and Mr Towse. Cllr Bayram took the lead in thanking the outgoing members for their service.
- 22.3. It was PROPOSED by CLLR BAYRAM and SECONDED by CLLR AITKEN and UNANIMOUSLY RESOLVED that the CEO should write to the outgoing members on behalf of the Board thanking them for their service. **Action CEO.**
- 22.4. The CEO welcomed the new appointed member, Mr Neil Marwood, and the new elected member, Mr Richard Henley. The CEO reminded the Board that although new members would be formally invested later in the meeting, they were still able to take part in the proceedings.

23. Election of Chairman

- 23.1. The CEO set out the procedure for the election of the Chairman and asked for nominations.
- 23.2. A nomination was MADE by CLLR BAYRAM and SECONDED by MR MOWFORTH for MR PATCHETT to be put forward for the election of CHAIRMAN.
- 23.3. A nomination was MADE by CLLR AITKEN and SECONDED by CLLR ROBERTS for CLLR WEST to be put forward for the election of CHAIRMAN.
- 23.4. A ballot took place, resulting in Mr Patchett being duly elected as the Chairman by majority vote.
- 23.5. The Chairman took his seat.

24. Election of Vice Chairman

- 24.1. The Chairman asked the CEO to run proceedings for the appointment of the Vice Chairman.
- 24.2. The CEO asked for nominations for the Vice Chair. There was general agreement that Cllr West would be best placed to continue in this role; this was not contested.
- 24.3. A nomination was MADE by CLLR AITKEN and SECONDED by CLLR ROBERTS and UNANIMOUSLY RESOLVED that CLLR WEST shall remain the VICE CHAIRMAN for a further term.

25. Chairman's Comments

- 25.1. The Chairman addressed the Board on usual procedures and set out some of the basic principles for meeting etiquette.
- 25.2. The Chairman asked those present to introduce themselves for the benefit of the new members.

26. Elections

- 26.1. The Chairman reported on the outcome of the triennial elections and asked for comments. No comments were received.

27. Appointment of New Members

- 27.1. Mr Richard Henley was formally welcomed by the Board (as the duly appointed elected member for electoral district 3).
- 27.2. The Board was informed that a Mr Jonathon Scutt, a landowner from the Eastington area, had put himself forward for membership by co-optation for district 7 (where there were no other candidates).
- 27.3. The Chief Engineer, who had recently spoken to Mr Scutt, spoke briefly on his behalf and advised the Board that, in his view, he would be a suitable candidate for membership of the Board.
- 27.4. The CEO asked if there were any other nominations for a co-opted member. None were made.
- 27.5. It was PROPOSED by CLLR BAYRAM and SECONDED by CLLR AITKEN and UNANIMOUSLY RESOLVED that MR JONATHON SCUTT be CO-OPTED as a MEMBER of the OUSE AND HUMBER DRAINAGE BOARD.
- 27.6. In welcoming Cllr Neil Marwood as the new appointed member, the CEO commented that he believes Cllr Marwood possesses knowledge and qualities that will make a positive contribution to the Board.
- 27.7. The Chairman acknowledged that the correct procedures had been followed in appointing Cllr Marwood to the Board and formally welcomed him to the Board.

28. Appointment of Corporate Strategy Manager

- 28.1. The CEO confirmed the appointment of Ms Angela Cowen as the new Corporate Strategy Manager to the Board.
- 28.2. The interview process was set at a very high bar. 5 Applications were received with only 2 candidates meeting the essential criteria.

28.3. The Corporate Strategy Manager will take her position on the 21 November.

29. Minutes of Previous Meeting (09/08/2016)

29.1. No comments were received about the accuracy of the minutes.

29.2. It was PROPOSED by MR FEATHERBY and SECONDED by CLLR MARWOOD and UNANIMOUSLY RESOLVED that that these minutes be adopted as a true record.

30. Matters Arising from Previous Minutes

30.1. The CEO summarised his report on resolved and ongoing actions from the previous meeting.

30.2. Mr Mowforth and Mr Wright indicated they would like to raise some operational matters under AOB. This was noted and returned to.

30.3. Cllr Aitken confirmed with the CEO that the capital schemes would be discussed later in the meeting.

31. Executive Committee Meeting (10/10/2016)

31.1. In turning to the notes from the Executive Committee Meeting, the Chairman invited the CEO to comment on items discussed.

31.2. The CEO informed the Board that the transformation project to bring the Board's IT systems up to date, especially in respect of rates mapping and asset management, was going well and that he intends to bring a presentation to the next meeting. **Action CEO.**

31.3. The Chairman welcomed the updates to the rates mapping systems, commenting that he himself had had some experience of the process being prolonged.

31.4. The CEO informed the Board that a number of health and safety and welfare improvements were planned for the office; these improvements would also afford the opportunity to accommodate the new member of staff. An outline plan has been prepared and issued to 3 local contractors for quotes.

31.5. The Chair added that CEO has agreed to inform the Executive Committee of the winning tender before commissioning the work.

32. Appointment of the Executive Committee

32.1. The Chairman summarised the role and the time commitment for the Executive Committee. There was a minimum of 2 meetings per year, but usually 4 unless by exception.

32.2. Cllr Bayram suggested the present incumbents may wish to continue in this role; they agreed.

32.3. It was PROPOSED by CLLR BAYRAM and SECONDED by MR SWEETING and UNANIMOUSLY RESOLVED that the membership of the Executive Committee remains the same.

32.4. It was PROPOSED by MR FALKINGHAM and SECONDED by CLLR AITKEN and UNANIMOUSLY RESOLVED that the Chairman and Vice-Chairman of the Committee shall be the same as for the Board.

33. Return of Accounts for Year 15/16

33.1. It was noted that the report of the Auditors had been received for the previous year and advertised as per regulatory requirements.

34. Financial Balances

34.1. The CEO introduced the new way that the Profit and Loss (P&L) account would be presented.

34.2. Mr Falkingham commented that it was well set out and that it was useful to see expenditure halfway through the year.

34.3. Mr Mowforth queried if reserves should be presented in the P&L. It was confirmed that these do need to be shown.

34.4. The Chairman commented that it would be useful to understand the budget variations. The CEO agreed and indicated that in the new financial year he would present variances in his budget reports. **Action CEO.**

35. Invoices Paid and Accounts Settled

35.1. The CEO introduced the new way that Board payments would be presented, informing the Board that the information presented was in line with best practice for local government, having taken advice from the Board's accountants.

35.2. Whilst accepting the method of presentation, and following a discussion, Members asked that the reporting threshold be lowered.

35.3. It was PROPOSED by MR MOWFORTH and SECONDED by MR FALKINGHAM and UNANIMOUSLY RESOLVED that the reporting threshold for invoices paid be set at £250.

35.4. It was PROPOSED by MR WRIGHT and SECONDED by CLLR ROBERTS and UNANIMOUSLY RESOLVED that the Board NOTE and APPROVE the accounts for the last financial quarter.

36. Meeting Frequency

36.1. It was agreed by all that a 9am start was appropriate.

36.2. The Chairman noted that the February meeting would have been the 14th; however because of notification requirements for the Special Levy payment it would be sensible to bring this forward. It was understood that the meeting had already been rescheduled for the 7th of February 2017.

- 36.3. The CEO set out alternative options for meeting frequency, including a (non-quorate) information meeting in August. Mr Featherby commented that such a meeting would likely have poor attendance.
- 36.4. Cllr Roberts suggested that site visits could be arranged as part of a summer meeting. The CEO confirmed that it was his intention to have site visits separately.
- 36.5. Cllr Bayram suggested keeping the meetings the same and commented on the definition of the word “quorate” (see footnote)¹.
- 36.6. Mr Falkingham suggested keeping the August meeting the same but moving key decisions to the top of the agenda.
- 36.7. Given the time available it was proposed that this matter was discussed further at a future meeting. **Action CEO.**

37. Howdenshire Pumping Station Schemes

- 37.1. The CEO set out how the scheme was progressing and explained the figures as set out in the meeting papers.
- 37.2. Mr Martin asked the Chief Engineer if he was happy with the current position. The Chief Engineer responded that the information as set out was based on the best data available until work commences.
- 37.3. Mr Featherby and the Chairman commented on how much the costs had altered since the original budget estimates. The Chief Engineer commented that the budget cost had gone up in January 2016 following the Phase 1 tender and the reported costs had not changed substantially since then. The Phase 1 tender price had reflected changes needed to accommodate the special engineering difficulty which was principally due to the need for deep piled foundations.
- 37.4. The CEO responded that a structural engineer had advised that this solution would not only deal with the significant weight of the structure, but also accommodate temporary works and significant lateral thrust forces of pipework that will carry over a tonne of water per second.
- 37.5. Board members spoke about the capacity of the local ground conditions to take the proposed works. The Chief Engineer responded that to go against the professional’s advice could put the Board and staff in a position of liability, should failure occur.
- 37.6. Mr Featherby noted that the estimated scheme outturn costs, including the contingency allowance, were greater than the original budget. The CEO responded that the reasons for the difference were set out in item 19.6 of the papers.

¹ Quorate: constituting or having quorum (Source: Oxford English Dictionary, 1998).

- 37.7. This issue was discussed further and the CEO confirmed that it is not the intention to draw down reserves to accommodate the variation; it is his responsibility to advise if the Board if this were the case.
- 37.8. Mr Falkingham and Mr Featherby, in establishing value for the ratepayer, asked what the impact on that rate might be if the full outturn costs were accommodated via a secured public works loan board. The CEO set out that the costs were related to the repayment terms and set out some illustrations. The CEO confirmed the rate would need to go up to accommodate repayment over and above much needed rate rises following a number of years of austerity.
- 37.9. The subject of reserves was returned to again, and the CEO reiterated that there is no intention to draw on these for this scheme.
- 37.10. The Chairman asked the CEO whether there would be an obligation to draw down the full amount from the PWLB should an application for the total outturn costs and contingency allowance be successful? The CEO responded that he would verify this, but believed that only the amount required would be drawn down. **Action CEO.**
- 37.11. The Chairman enquired if it would be best to secure a large sum of PWLB over a longer repayment period. The CEO responded that he strongly considers it best to borrow the minimum requirements over as short a term as reasonable, as once the maximum principal is borrowed, it leaves little room to obtain additional finance to cover future eventualities.
- 37.12. Cllr Aitken and Mr Wright both questioned how the Board would respond to disaster or major failure of equipment. The Chief Engineer explained a proportion of the Board's reserves could be used, outside the proportion ring-fenced as part of a commuted sum agreement for the drainage of the M62 trunk road.
- 37.13. Mr Featherby asked how much we could borrow. The CEO responded that enquiries would be made but believed it would be in the order of £1m. **Action CEO**
- 37.14. The CEO suggested that a way forward would be to alter the recommendation to make an application for the full amount of finance required including the risk element (£961,340) but only draw down the required amount.
- 37.15. A further discussion was had about the loan term. There was a view expressed by more than one member that the loan term should be extended as much as reasonably possible. The CEO reiterated his concern that this would reduce future borrowing opportunities over the medium to long term, make long term strategic planning difficult, and potentially undermine the evidence base for rate setting.
- 37.16. Both Mr Falkingham and Cllr Aitken identified the need to set aside capital reserves as part of the Board's year on year budget. The Chief Engineer commented that as part of the Board's upcoming Corporate Strategy, a number of capital bids will be prepared.

37.17. Mr Featherby commented that so long as the details are known then he would be happy to support the proposed amendment. To this end it was agreed that the CEO prepares repayment options and makes a recommendation to the Executive Committee between full Board meetings.

37.18. It was PROPOSED by CLLR BAYRAM and SECONDED by CLLR WEST and UNANIMOUSLY RESOLVED that;

- a. the BUDGET as set out in 19.6 of the meeting papers is APPROVED and ADDITIONALLY;
- b. the Board give AUTHORITY to the CEO to make an application to secure an initial Public Works Loan up to the value of £981,340 and draw down any funds from that secured loan as necessary to COMPLETE the works AND;
- c. that between full Board meetings delegated powers are given to the EXECUTIVE COMMITTEE to decide on the repayment terms of the Public Works Loan AND;
- d. the Board gives the CEO FINANCIAL AUTHORITY (for the amounts set out above) for the SCHEMES, and SANCTIONS him to enter into contracts on behalf of the Board.

38. Purchase of New Plant

38.1. The quotes were set out for the new machine at Appendix E of the papers. The Chief Engineer proposed that the orders would be placed in the new calendar year but would be accounted for in the next financial year.

38.2. Mr Wright raised the issue of warranties and suggested a 5 year warranty might be secured. The Chief Engineer agreed with this and undertook to explore options for warranties.

38.3. It was PROPOSED by CLLR BAYRAM and SECONDED by CLLR WEST and UNANIMOUSLY RESOLVED that the Board approves the Purchase of a Massey Ferguson 7716 tractor for the price of £47,250 (Financed at £11,812 annually for four years funded from the Boards revenue) along with the purchase of a Mastenbroek Herder Grenadier arm and 360 degree flail financed from Board's reserves and subsequently rebalanced from revenue over 3 years or sooner.

39. Financial Mandate (Banking)

39.1. It was PROPOSED by MR WRIGHT and SECONDED by CLLR AITKEN and UNANIMOUSLY RESOLVED that the Board authorises the following individuals as signatories on the Board's banking mandate and arrangements be made with the with the Board's Banker (Barclays) to amend the mandate, within the existing financial limits for members and staff;

Chairman -	Mr Robert Patchett
Vice Chairman -	Mrs Kay West
Chief Executive and Clerk -	Mr Andrew McLachlan

Chief Engineer -	Mr Edward Allen
Corporate Strategy Manager -	Ms Angela Cowen*
Finance officer and Secretary -	Mrs Yvonne Huitson

**New position - Financial limits to be the same as Chief Engineer.*

40. Any Other Business

- 40.1. Mr Sweeting raised the issue of leaking clough doors. The CEO acknowledged that a number of clough doors require attention and that this would be the subject of the Board's ongoing investment strategy.
- 40.2. Mr Wright asked if any clough doors had been replaced recently. The Chief Engineer commented that he had only known of 2 schemes during his time with the Board.
- 40.3. The Chairman commented that this is a key reason why financial planning is needed.
- 40.4. Mr Mowforth asked about progress on the gates on the Featherbed Drain maintenance strip. The CEO confirmed that the gates were now purchased and would be installed in the next few weeks.
- 40.5. Councillor Aitken commented that ERYC has found money for some public rights of way work in Eastington and it may be worth approaching the Council for a contribution. **Action Chief Engineer.**
- 40.6. Mr Wright commented on slips on the Holme Main Drain. The Chief Engineer remarked that sludging was planned in this year's programme and that slips would be looked at during this work.

41. Presentation

- 41.1. The CEO gave a presentation on the revised approach to budget monitoring

42. Close of Meeting

- 42.1. The meeting was closed around 12:30