

MINUTES OF THE BOARD MEETING OF THE OUSE AND HUMBER DRAINAGE BOARD HELD AT 9.00AM ON TUESDAY 9 FEBRUARY 2016 AT BOOTHFERRY GOLF CLUB, SPALDINGTON LANE, HOWDEN, DN14 7NG

PRESENT: Cllr K West* (Vice Chair), Cllr V Aitken*, Mr J Atkinson*, Cllr C Bayram*, Mr R Falkingham, Mr T Featherby, Mr R Nicholls, Mr A Wraith, Cllr M Stathers*, Mr J Sweeting,

* Denotes Appointed Member † Denotes Co-opted Member

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

APOLOGIES: Mr R Patchett (Chair), Cllr P Pollard*, Cllr N Wilkinson*, Mr S Martin*, Mr J Wright, Mr S Towse, Mr C Mowforth, Mr I Screeton[†], Mr J Hick, Cllr H Roberts.

As Mr Patchett had sent his apologies, Cllr West chaired the meeting.

Cllr West informed members of the passing of Cllr Stephen Lane on Monday 8 February 2016. A minutes silence was held and members acknowledged Cllr Lane's contribution as a long standing member of the Lower Ouse Internal Drainage Board and latterly the Ouse and Humber Drainage Board.

The Chief Executive informed members that with 10 members in attendance, a quorum of 12 members was not present.

The Chief Executive informed members that the Rate and Special Levy had to be set and East Riding of Yorkshire Council notified of the Special Levy by 15 February 2016. To meet this statutory requirement Standing Order 27, to suspend SO 4(a), could be invoked by resolution of at least 75% of the members present.

It was:

Proposed: Mr T Featherby Seconded: Mr J Atkinson

And unanimously RESOLVED that Standing Order 4(a) be suspended for this item.

In response to Mr T Featherby, the Chief Executive confirmed that the requirement for a quorum could be suspended for all matters on the meeting agenda.

It was:

Proposed: Mr T Featherby Seconded: Mr A Wraith

And unanimously RESOLVED to suspend Standing Order 4(a) for all matters on the agenda for this meeting.

2. DECLARATIONS OF INTEREST:

It was noted that all members have an interest in setting the rate and Special Levy

Mr Sweeting declared an interest as a Director of Sweeting Bros.

3. **MINUTES OF THE BOARD MEETING:** held on Monday 9 November 2015 and as previously circulated were considered. There were no matters arising that were not covered by the agenda.

It was: -

Proposed: Cllr Aitken

Seconded: Cllr Stathers

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

4. **MINUTES OF THE EXECUTIVE COMMITTEE MEETING:** held on 11 December 2015 and as previously circulated were considered. There were no matters arising that were not covered by the agenda.

It was: -

Proposed: Mr J Atkinson

Seconded: Cllr Aitken

And unanimously RESOLVED that the minutes be ADOPTED.

5. **MINUTES OF THE EXECUTIVE COMMITTEE MEETING:** held on 19 January 2016 and as previously circulated were considered. There were no matters arising not covered by the agenda.

It was:

Proposed: Cllr Aitken

Seconded: Cllr Bayram

And unanimously RESOLVED that the minutes be ADOPTED.

6. **REPORT AND ESTIMATE, AND RATE SETTING**

The Chief Executive informed members that there would be an election for agricultural members in 2016. The important dates being: -

April – Information issued with Drainage Rates.

May – Publish Electoral Register

July – Election notice issued

August – Nomination deadline

September – Election (if required)

Members would take up their posts at the November Board meeting.

Capital Schemes

Eastrington and Laxton, Gilberdyke and Blacktoft

A supplementary Board Paper was circulated. The Chief Executive apologised for not issuing this information earlier, explaining that significant progress had been made in the last few days.

Cllr Aitken felt it was important to consider this matter in detail

The Chief Executive advised members that he felt it would be useful to hold a review meeting at some point in the future to identify any lessons learnt.

The supplementary paper was discussed in detail; the Chief Executive explained the background behind the Eastington and Laxton, and Gilberdyke and Blacktoft schemes.

The Chief Executive explained the YORcivils tender process

The Chief Executive stated that Stage 1 tenders for Eastington and Laxton were much higher than the approved grant aid. This resulted in a review of the design to try and reduce costs and accompanying work to identify additional funding opportunities.

After submission of Stage 2 tenders by Lumsden and Carroll, costs and potential funding for Eastington and Laxton were more aligned. However due to an arithmetical error, Lumsden and Carroll had severely under estimated the cost of the watercourse works for the Gilberdyke and Blacktoft scheme.

This resulted in a review of the Gilberdyke and Blacktoft scheme costs and work to identify additional funding. Officers were also aware that Sweeting Bros had been invited to tender as a sub-contractor to undertake the planned watercourse works. Due to the excessive mark up on these works officers now intended to remove these works from the Lumsden and Carroll contract.

At this point Mr J Sweeting offered to leave the room. Members felt this was not required, but it was noted that Mr J Sweeting should not be involved in any potential award of the watercourse works.

In response to Mr R Falkingham, the Chief Executive confirmed that the £904,000 funding available for the Eastington and Laxton scheme included £310,000 from Ouse and Humber Drainage Board.

The Chief Executive confirmed that the current cost estimates for Eastington and Laxton, and Gilberdyke and Blacktoft were £1,233,000 and £1,450,000 respectively with some items such as power and watercourse profile yet to be confirmed.

The Chief Executive also noted that the current £150,000 discount offered by Lumsden and Carroll may change as a result of transferring watercourse works to another company.

In response to Mr R Falkingham, the Chief Executive confirmed the costs quoted did not include contingencies.

In response to Cllr C Bayram, the Chief Engineer stated it was unlikely that large volumes of clay would be generated in the new Gilberdyke & Blacktoft watercourse cut.

The Chief Executive explained that removing the 4m wide environmental berm would significantly reduce the cost of the new watercourse and would also reduce compensation costs. It would also reduce the cut/fill balance to near zero.

In response to Cllr Aitken the Chief Executive confirmed that costs for the revised watercourse profile and associated culverts had yet to be finalised.

The Chief Executive stated that consultants had confirmed these changes would not reduce the required 1 in 100 years plus 20% climate change design standard needed to meet funding rules.

The Chief Executive and Chief Engineer detailed the land negotiations contained in the supplementary report.

The Chief Executive explained the funding sources detailed in Table 4 of the supplementary report, informing members that the Public Works Loan Board requirement for the Easttrington & Laxton scheme could increase by £250,000 (to £560,000) if the LEP grant was not approved.

In response to Mr Featherby the Chief Executive confirmed that due to a lower Stage 2 submission it was possible that some the additional funding detailed in Table 4, including £50,000 Public Works Loan Board, may not be required.

Cllr Aitken informed members that East Riding of Yorkshire Council flood managers and the Council Leader Cllr Parnaby were supporting the LEP application.

In response to Mr Falkingham, the Chief Executive explained the nature of LEP funding.

The Chief Executive confirmed that the revised Stage 2 costs had reduced the potential funding required for the Easttrington and Laxton scheme, including contingencies, from £1,637,000 to circa £1,500,000 subject to confirmation of power and consultants fees.

The Chief Executive stated that at £1,450,000 (subject to confirmation) including 20% contingency, circa £1,850,000 was required for the Gilberdyke and Blacktoft scheme. Current funding allocation is £1,447,000; therefore £400,000 of additional funding was required.

The Chief Executive confirmed that East Riding of Yorkshire Council and Hull City Council Flood Managers had verbally agreed to support an application for £300,000 Local Levy to cover the majority of the contingency with Ouse and Humber Drainage Board potentially providing £100,000 via the Public Works Loan Board. The Chief Executive stated that if the Local Levy was not approved OHDB could be asked to provide up to £400,000 for the Gilberdyke scheme. This was in addition to any additional sums required for Easttrington & Laxton.

A request had been made to the Environment Agency for additional grant aid in the hope of offsetting these costs.

Mr A Wraith noted that the Public Works Loan Board requirement could be at least £660,000, however interest rates would be fixed at a very low level.

The Chief Executive explained recent changes to the affordability test for Public Works Loan Board loans and that these had greatly increased the borrowing capacity of Internal Drainage Boards.

Members discussed the future capital requirement associated to the Board's existing assets and noted that any borrowing for these schemes must not compromise the Board's future options.

The Chief Executive drew members' attention to Tables 8 and 9 in the supplementary report summarising samples of the loan durations and values available to the Board.

The Chief Executive summarised the project risks contained on p10 of the supplementary paper.

Cllr Aitken acknowledged that should only one scheme be progressed, preliminary costs would increase for that scheme.

Mr Sweeting commented on the very high mark up costs sometimes quoted by large contactors who sub contract work to local companies.

Mr Falkingham felt costs would need to be carefully monitored and use of contingencies minimised. In response the Chief Executive explained the method of variation/cost control employed in the YORcivils framework contract.

Mr Falkingham felt all the issues had been well covered.

The Chief Engineer updated members on the status of the planning application for the Gilberdyke and Blacktoft scheme, stating that a decision was expected in the next few weeks.

In response to Mr A Wraith officers confirmed the pumping station specification had not been changed from those originally intended.

Cllr Aitken acknowledged the time officers had invested in communicating with local residents and Parish Councils.

It was:

Proposed: Mr R Falkingham

Seconded: Cllr Bayram

And unanimously RESOLVED to

- ***SUPPORT the proposed funding strategy contained in the supplementary report.***
- ***APPROVE the land transactions as explained in the supplementary report.***

- ***MAKE an allocation of £40,000 for the Public Works Loan Board costs in the Budget Estimate for 2016/17.***
- ***REAFFIRM delegation of this matter to the Executive Committee.***

North Howden

The Chief Engineer summarised the previously circulated report and informed members that the proposed Howden bypass was no longer part of the intended development. Members expressed their concern that loss of the bypass would adversely affect Howden.

Members acknowledged the Chief Engineers continued efforts in helping move this project forward.

Howdendyke

The Chief Engineer updated members on the status of this project, informing them that the PAR would be submitted in the next few weeks and that current indications were that the refurbishment would qualify for 100% grant funding. He confirmed the intention to install fish friendly pumps.

Internal Controls

The Chief Executive summarised the previously circulated report also issuing an update provided by the Association of Drainage Authorities on Smaller Authorities Audit Appointment Ltd. The Chief Executive explained the “opt in” and “opt out” options for External Audit from 2016/17 onwards.

It was:

Proposed: Mr R Falkingham Seconded: Cllr Aitken

And unanimously RESOLVED to “opt in” to Group 1 of the Smaller Authorities Audit Appointment Ltd arrangements.

Members discussed current Internal Audit and Accountancy arrangements.

It was:

Proposed: Cllr Aitken Seconded: Mr A Wraith

And unanimously RESOLVED to appoint Yorkshire Internal Audit Services and Hunter Gee Holroyd as Internal Auditors and Accountants for 2016/17 and 2017/18.

Staffing

The Chief Executive informed members that two members of the administration staff had requested to reduce their hours. Discussions were to be held to identify the best way forward.

The Chief Executive informed members that a provision had been included in the Budget Estimate for a 1% pay rise.

Finances

Members discussed the previously circulated report.

The Chief Executive informed members that safeguarding changes to the former Lower Ouse Internal Drainage Board HSBC account would result in the need for a new bank mandate. The Chief Executive confirmed that he had contacted Ernst and Young, administrators of the Singer Friedlander account and arranged for these payments to be made to Ouse and Humber Drainage Board's receipts account. The Chief Engineer and Mr J Sweeting were to visit HSBC Goole to transfer monies from the HSBC account and close it.

Members discussed the PSCA agreement and agreed that this had been successful. Members were hopeful that the arrangement could be expanded.

It was:

Proposed: Mr R Nicholls

Seconded: Cllr Aitken

And unanimously RESOLVED to make a £10,000 provision to support the PSCA.

Partnerships

Members discussed the previously circulated report detailing the partnership works undertaken by officers. Members felt that this work and involvement in these groups was an important activity and its benefits could be seen with the support given by other authorities in dealing with the funding for the capital schemes.

It was:

Proposed: Cllr Aitken

Seconded: Mr J Atkinson

And unanimously RESOLVED to support officers Partnership activities.

Plant and Vehicles

Members supported officers' suggestion that this matter be differed to a future meeting due to their current workload.

In response to Cllr Aitken officers stated that the loss of stewardship field margins would make drain maintenance more problematic and that meeting landowners' expectations would be difficult.

Budget Estimate

The Chief Executive explained the previously circulated budget estimate.

In response to Mr R Falkingham the Chief Executive confirmed operational staff costs had increased due to maximising use of hired in plant.

Cllr Aitken and West commended the attitude and good work of staff responding to recent flooding concerns in Bubwith.

Rate Setting

The Chief Executive explained the changes in Annual Values that had taken place in 2014/15.

Revised rating options for rates of 11.6p, 11.7p 11.8p were circulated and discussed by members. The Chief Executive explained the reasons for recommending a rate of 11.7p and the subsequent impact on Special Levy.

It was:

Proposed: Cllr Bayram Seconded: Mr Sweeting

And unanimously RESOLVED to APPROVE

- *The revised Annual Values*
- *The Budget Estimate as presented*

And set a Drainage Rate of 11.7p with a corresponding Special Levy of £550,098.78 to be set against East Riding of Yorkshire Council

7. QUARTERLY FINANCE REPORTS:

After consideration and explanation, it was:

Proposed: Cllr Aitken Seconded: Mr J Atkinson

And unanimously RESOLVED to APPROVE the Income and Expenditure (Variance) Report for Quarter 3

After consideration and explanation, it was:

Proposed: Cllr Bayram Seconded: Mr J Atkinson

And unanimously RESOLVED to APPROVE the Balance Sheet for Quarter 3

After consideration and explanation, it was:

Proposed: Mr T Featherby Seconded: Mr J Sweeting

And unanimously RESOLVED to ACCEPT and CONFIRM the Invoices Paid and Accounts Settled for Quarter 3 totalling £344,739.

8. ERYC ENVIRONMENT AND REGENERATION SCRUTINY COMMITTEE

The Chief Executive summarised the previously circulated report.

Members discussed Defra's current policy of promoting smaller Board memberships for new Internal Drainage Boards.

Members discussed the potential for Internal Drainage Boards to increase their delivery role and act on behalf of other risk management authorities, focusing on the adoption/transfer of assets and emergency response.

Mr J Atkinson was keen to support a catchment wide approach, delivered by Internal Drainage Boards as this might aid future grant aid applications.

9. CHRISTMAS FLOODING

The Chief Executive referred members to the previously circulated report on the flooding problems in Bubwith in January 2016.

Cllr Aitken updated members on the recent meeting held with Yorkshire Water.

In response to Cllr Bayram, Mr R Falkingham stated that Loftsme Bridge was unlikely to have influenced recent problems with levels in the River Derwent at Wressle and Bubwith.

The Chief Executive informed members that staff were receiving very positive feedback regarding the performance of the River Foulness.

10. MEETING DATES

Members noted the proposed meeting dates for 2016/17 namely

Full Board	10 May 2016
	9 August 2016
	8 November 2016
	7 February 2017

Executive	28 June 2016
	17 January 2017

11. Any Other Business

The Chief Engineer explained a request to demain a section of watercourse made by Mr M Falkingham. After discussion, it was:

Proposed: Cllr Bayram

Seconded: Mr A Wraith

And unanimously RESOLVED to agree to this request.

Mr Featherby asked if the Board should consider a replacement for Cllr Lane on the Executive Committee. It was felt that members should discuss the possible secondment of a suitable member for the short term to be ratified at the next Board meeting.

The Chair thanked members for their contribution and closed the meeting at 11.40am.