

Minutes of the 57th meeting of the Lindsey Marsh Drainage Board held at The Grange and Links Hotel on Tuesday, 7th May 2009, at 2.00 p.m.

| | |
|------------------------------|-------------------------------------|
| * Messrs M. Clark (Chairman) | * Cllrs H. Marfleet (Vice-Chairman) |
| * G. Billings | * G. Allan |
| * W. Cooper | * D.G. Andrews |
| * G. Crust | * C.J. Davie |
| * R.J. Epton | * S.W. Eyre |
| * T.H. Heys | * C. Finch |
| * J.M. Mowbray | * G.M. Gooding |
| * R.H. Needham | * D. Hornby |
| * N. Pike | * A. Howard |
| * P.W. Pridgeon | * P. Leivers |
| * D.R. Tagg | * R.J. Palmer |
| * R.A.D. Unsworth | * N.L. Pimperton |
| vacancy | * M. Preen |
| | * R.B. Shields |

* Present

* Messrs C. Hinchcliffe (Clerk and Chief Executive)
* D.J. Sisson (Engineer)
* M. Mitchell (Director of Technical Services)
* R.P. Mitchell (Director of Operations)
* S. Thackray (Director of Finance)

* In attendance

Prior to the meeting, long service awards had been presented to Nigel Harrison and Gary Herberts who had started working for the Board in 1987 and 1988 respectively.

1. APOLOGIES

Apologies for absence were received from Messrs W. Cooper, R.A.D. Unsworth, Cllrs N. Pimperton and N.L. Preen. Cllr Howard stated that he would have to leave the meeting at 3.30 p.m.

Cllr D. Hornby had informed the Board that Cllr W. Parkinson had been appointed to represent North East Lincolnshire Council in his place, however, confirmation had not yet been received from the Council.

2. NOTIFICATION OF ITEMS OF ANY OTHER BUSINESS

Cllr C. Finch had one item of any other business; Himalayan Balsam.

RECEIVED

3. BOARD MINUTES (Pages 653 to 671)

RESOLVED

that the minutes of the meeting of the Board held on 31st March 2009 be confirmed as a correct record.

HM

4. MATTERS ARISING

4:1 Minute 15, Page 650 - Burgh Sluice Pumping Station

The Clerk reported that the route for the marathon had been changed following objections from the nature reserve. The runners would now cross the footbridge and pass through the pumping station compound onto fields adjacent to the Cowbank Drain. The Board's Health and Safety Advisor had refused consent for the runners to use the berm on the drain as there would be too many health and safety risks. Additional signs and temporary fencing would be erected in the pumping station compound to ensure compliance with health and safety legislation.

RECEIVED

4:2 Minute 17, Page 651 - Reconstitution of the Board

The Clerk stated that notification had been received from the Environment Agency that the Board should be reconstituted on 1st June 2009, subject to there being no objections to the scheme.

It was noted that if the reconstitution progressed as planned, it would be necessary to elect a Chairman and Vice-Chairman at the July meeting.

RECEIVED

4:3 Minute 18:4, Page 652 - Trip to Holland

The Clerk reported that detailed costings had now been obtained for a trip to Holland on 4th October 2009, returning overnight on 6th October 2009. The cost would be £400 per person based on ten people and this included all accommodation and meals.

Mr R.H. Needham asked members to consider delaying the trip as this was a critical time of year for farming. The Director of Operations reported that the only problem he could see with putting back the date was that members may not be able to see the Dutch boards undertaking their summer maintenance works.

The Chairman asked members how they wished to fund the trip. He stated that there was sufficient money in the members' disbursement fund account, however, this had been donated by the elected members. Mr T.H. Heys suggested that members who wished to go on the trip should pay 50% of the cost, the remaining 50% to be taken from the members' disbursement fund account. It was proposed by Mr G. Billings and seconded by Cllr S.W. Eyre that the members' disbursement fund should be used to pay for both elected and nominated members.

Mr D.R. Tagg stated that this was a gross extravagance and agreed that those members who wished to go should be prepared to contribute. Mr Tagg stated that the members' disbursement fund had been set up to pay for visitors to attend tours of inspection. He further stated that it was a good time to hold a tour. Mr Tagg was against the fund paying the whole cost of the trip.

RESOLVED

- (a) that a trip to Holland be planned for members departing on 11th October 2009, and
- (b) that members wishing to join the trip to Holland contribute 50% towards the cost, the remaining 50% to be funded from the members' disbursement fund account.

5. DRAINAGE RATES AND SPECIAL LEVIES

The Clerk reported that rates and special levies outstanding at 31st March 2009 totalled £48.80.

The Clerk further reported that rate demands for 2009/10 had been sent out on 30th April 2009 and collections to 13th May 2009 totalled £673,195.94 (this included £612,770.25 of special levies).

RECEIVED

6. CASH RESERVES AND INVESTMENTS

6:1 Investment of Surplus Monies

The Clerk reported that balances were invested as follows:

| | | |
|------------------------|----------------------|----------|
| Barclays Current | £646,438.36 | at 0.10% |
| Barclays Tracker | £2,303.80 | at 0.01% |
| Abbey | £350,000.00 | at 2.62% |
| Alliance and Leicester | £4,091.44 | at 0.08% |
| TOTAL INVESTED | £1,002,833.60 | |

In response to Mr P.W. Pridgeon, the Clerk reported that the balance in the current account was only temporary and any surplus funds would be transferred to a higher interest account as soon as possible.

The Clerk reported that East Lindsey District Council had confirmed that it did consult with investment advisors but the information provided was confidential and not available for the Board's use. The Clerk stated that any deposits made by the Board would be with U.K. financial institutions with a credit rating of BBB or better. Current deposits were with Barclays and Abbey and both were AA- rated.

RECEIVED

6:2 External Borrowing

The Director of Finance reported that the following loans were outstanding with the Public Works Loan Board:

| <i>Date Commenced</i> | <i>Amount Borrowed</i> | <i>Period of Loan</i> | <i>Interest Rate</i> | <i>Balance Outstanding</i> |
|--------------------------|------------------------|-----------------------|----------------------|----------------------------|
| 13th April 1994 | £400,000.00 | 20 years | 8.125% | £164,930.15 |
| 28th July 1997 | £500,000.00 | 15 years | 7.25% | £146,535.50 |
| 1st September 2005 | £240,000.00 | 15 years | 4.3% | £190,141.68 |
| 8th September 2005 | £250,000.00 | 15 years | 4.25% | £197,905.62 |
| TOTAL OUTSTANDING | | | | £699,512.95 |

He further reported that the following loans were outstanding with Caterpillar Finance:

| <i>Date Commenced</i> | <i>Amount Borrowed</i> | <i>Period of Loan</i> | <i>Interest Rate</i> | <i>Balance Outstanding</i> |
|-----------------------|------------------------|-----------------------|----------------------|----------------------------|
| 31st July 2008 | £54,300.00 | one year | 0% | £13,575.00 |
| 10th February 2009 | £38,042.75 | three years | 3.15% | £36,027.31 |

RECEIVED

6:3 Internal Borrowing

The Clerk reported that the Loans Pool balance outstanding at 31st March 2008 was £1,305,807.39. This included Public Works Loan Board balance outstanding.

RECEIVED

7. AUDIT OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009

The Clerk reported that the accounts for the year ended 31st March 2009 were being prepared by the Board's Director of Finance for approval by the Board and submission to the external auditor by the end of June 2009.

As the next Board meeting was not until July, the Clerk asked members to consider granting delegated authority to the Chairman and Vice-Chairman to approve the accounts and for the Chairman to sign the annual return. A copy of the accounts would be presented to the next Board meeting for information.

The Clerk stated that members must also consider the timing of future Board meetings to ensure that the Board reviewed the accounts before they were sent to the external auditor.

It was proposed by Mr D.R. Tagg and seconded by Cllr R.J. Palmer that the accounts be approved by the Chairman and Vice-Chairman on this occasion.

RESOLVED

- (a) that delegated authority be granted to the Chairman and Vice-Chairman to approve the statement of accounts and annual governance statement for the year ended 31st March 2009, and
- (b) that the timing of July meetings be considered at the annual general meeting in November.

8. LINCOLNSHIRE COUNTY COUNCIL SUPERANNUATION SCHEME

The Clerk reported that following a request at the last Board meeting to review pension costs and provisions, a meeting had been held with the Lincolnshire County Council pension department to ascertain the options available to the Board.

The meeting had confirmed the Board's position as a 'resolved open body' to the scheme having signed a deed of membership in the past. This deed committed the Board to continue to fund scheme pension liabilities for all existing members of the scheme, as a member of the Drainage Boards pool within the fund, until these liabilities ceased upon the death of all current members and qualifying dependants. It also committed the Board to offer membership of the scheme to all employees.

The Clerk stated that the only alternative available to the Board was to pass a resolution to close the scheme to new members, however, the Board would be excluded from the Drainage Boards pool arrangements and would not benefit from its smoothing effect on contributions. He further stated that as there would be no contributions from new pension fund members, there would be an increase in the Board's pension costs as the pension liabilities crystallised.

Lincolnshire County Council's pension department had confirmed that the current projected increase in the employer contribution following the next triennial fund valuation in March 2010, was unaffordable to all scheme employers and the timescale for making good scheme deficits was likely to be extended with the option of a 'cap and collar' on contributions being considered. This would limit the employer contribution increases in periods of deficit. It would also limit the employer contribution reductions in periods of surplus (i.e. +/- 2% Maximum contribution change).

Mr D.R. Tagg expressed concern about the increasing costs to the Board and stated that he would like to see some figures, i.e. the fund deficit. The Clerk reported that the Board's deficit if it left the fund would be £1.3m. The Board would have to continue to pay contributions for staff and their dependents whilst they lived. The Chairman agreed that there were too many variables to work out the future cost. Mr Tagg proposed that a report be requested from the Actuary, this was seconded by Mr G.M. Gooding.

Mr P.W. Pridgeon stated that the figures were also dependent on the stockmarket and in two weeks time the figures could be worthless. Cllr G. Allen agreed that there was little point in asking the Actuary as the figures were so small, i.e. number of employees, that there would not be a large enough sample. Cllr Finch stated that the Board should avoid anything that would be detrimental to the staff and that they should be protected at work as well as in retirement.

It was proposed by Cllr C. Finch and seconded by Mr T.H. Heys that the Board remain in the Superannuation Scheme.

A vote was taken on whether to seek a report from the Actuary but it was agreed not to.

RESOLVED

that the Board continue to offer the Lincolnshire County Council pension scheme to all employees.

9. COMPENSATION CLAIMS

The Engineer reported that four compensation payments totalling £7,478.33 had been paid since the last Board meeting in accordance with the Board's approved rates.

RECEIVED

10. OPERATIONS REPORT

10:1 The Director of Operations presented the following report on works undertaken since the last Board meeting:

(a) Reforming had been undertaken on Saddleback East Drain (70m), West Land Drain East (750m, 6 access culverts and 69m culverting), Sudales Drain (470m, 2 access culverts and 12m culverting), Willoughby High Drain (770m and 3 access culverts), North Drain (650m and 18m culverting), and Mill and Harps Drain (360m and 7 access culverts).

(b) Construction works had been carried out on Winthorpe Drain (manhole raised), Rought Drain (9m culverting, 1 access culvert and 4m channel concrete lined), Saddleback Drain East (105m culverting, 2 manholes, one access culvert penstock door), Cross Drain at Covenham

(post and rail fencing and gates erected around Board's land). Reinstatement work has been carried out at Mablethorpe Urban Cut, Anderby Village Scheme and Carlton Village Scheme.

(c) Flailing - mitigation work has been carried out on 20,025m of watercourse.

(d) Slips have been repaired on Main Street Drain East (8m timber toe piling), Lowgate Sewer (74m timber toe piling and 20m reformed), and New Dyke (14m timber toe piling).

(e) The Environment Agency hired the Liebherr 924 excavator with scraper attachment and a driver to clean out culverts on the Willoughby High, Greyfleet and South Drains. The Aebi mower with driver was hired to cut grass at Skegness.

(f) The new Land Rover has been delivered and the old vehicle sold by tender. The new Massey Ferguson 6485 tractor and Multipro flail would be delivered in June and the old unit had been sold to Gainsborough Internal Drainage Board.

(g) Work had commenced on the alterations at Strubby depot. The containers had been delivered and shelving was being fitted. An extra container had been ordered and half would be available to store property and files belonging to the Association of Drainage Authorities.

(h) Pump running hours totalled 915 in March and 480 in April.

(i) Rainfall averaged 25.45 in March and 9.25 in April.

10:2 Joint Working with the Environment Agency

The Board's Director of Operations had met with Mr J. Ulyatt and Mr M. Overton from the Environment Agency (EA) to discuss the proposed move by the EA from its depot at Mablethorpe to the Board's Strubby depot.

The Director of Operations reported that the proposed move met the EA's five year strategy (which was already three years underway) to sell all its premises and to either rent or lease depot and office accommodation. He further reported that the EA would like a workshop erected on land at the rear of the depot. The Board had been asked to consider erecting the workshop and leasing or renting it back to the EA, however, should the Board not agree to this it would not affect the move.

The Chairman stated that the Board must look forward to the new joint working arrangements. In response to Cllr R.B. Shields, the Clerk confirmed that depot, workshop and office space at Strubby would be either leased or rented to the EA. He further stated that any new buildings erected would increase the value of the site for the Board.

Mr P.W. Pridgeon requested further information on the proposed workshop required by the EA, i.e. costs, planning permissions etc, before a decision was made. He stated, however, that the Board should ensure that the EA had all the facilities required when it was ready to move. The Clerk stated that there were no time constraints.

In response to Cllr C. Finch, the Director of Operations confirmed that the de-silting of the Greyfleet and Willoughby High drains had had a significant effect on the water levels.

RESOLVED

- (a) that the operations report be noted, and
- (b) that further information on the sharing of depot facilities with the EA be obtained for consideration at a future meeting.

