

Minutes of the 61st meeting of the Lindsey Marsh Drainage Board held at The Grange and Links Hotel, Sandilands, on Tuesday, 8th December 2009, at 2.00 p.m. held to discuss the estimates of income and expenditure for 2010/11

* Messrs M. Clark (Chairman)	* Cllrs H. Marfleet (Vice-Chairman)
* G. Billings	G. Allan
* W. Cooper	* D.G. Andrews
* G. Crust	* S.W. Eyre
* T.H. Heys	* C. Finch
* J.M. Mowbray	* G.M. Gooding
* R.H. Needham	* A. Howard
* P.W. Pridgeon	* R.J. Palmer
* D.R. Tagg	* W. Parkinson
* R.A.D. Unsworth	* M. Preen
	* R.B. Shields

* Present

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

* In attendance

The Chairman stated that the tour of inspection which had been held prior to the meeting had been useful as it gave members a chance to see works that had been undertaken as well as the works proposed for 2010/11.

1. APOLOGIES

Apologies for absence were received from Messrs P.W. Pridgeon, R.A.D. Unsworth and Cllr G. Allan.

It was noted that Mr Unsworth had been unwell and the Clerk was asked to pass on the members' best wishes.

2. NOTICE OF ANY OTHER BUSINESS

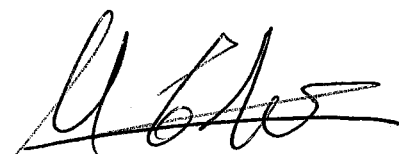
None

3. ESTIMATES OF INCOME AND EXPENDITURE FOR THE PERIOD 1ST APRIL 2010 TO 31ST MARCH 2011

The Director of Finance presented the attached estimates and gave the following explanation:

(a) Inflation

Supplies and services for 2010/11 had not been increased in the estimate, as the current rate of inflation (October 2009 R.P.I.) was -0.8%. There was a general expectation that R.P.I. would rise through 2010/11 with the re-introduction of the 17.5% VAT rate and other inflationary pressures. The V.A.T. increase would have limited impact on the Board although fuel cost increases would have a direct impact on the Board.



(b) Drain Maintenance Works

Drain maintenance costs for the year included the annual weedcutting of all watercourses. The revised estimate for the year of £527,000 was an increase of 20.7% compared to estimate, due to an increased level of works in the Boygrift, Theddlethorpe and Thorpe Culvert areas. Costs for 2009/10 included repairs to slips (especially in the Fulstow and Chapel areas), and works undertaken on the Woldgrift Drain in liaison with the Environment Agency.

The estimate for 2010/11 was set at £449,000, a level that reflected expected operating costs on a normal level of operations.

(c) Pumping Station Running Costs

The 2009/10 revised estimate for pumping station running costs of £359,000, was a decrease of £6,000 compared to the estimate (-4.6%). Savings on electricity charges due to the dry year to date have been offset by costs incurred on major repairs to the Wedlands Weir (£6,000) and Boygrift pump repairs (£6,000). Running hours for the year to date are below average at 2,185 hours compared to 3,911 hours in 2008/9 and 21,978 hours in 2007/8.

Many of the stations' electricity supplies are on contracts that run throughout the year 2010/11 but where contracts are due for renewal, no inflationary increases have been applied.

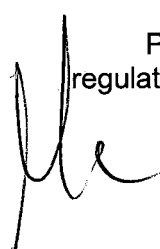
(d) Capital Works

The capital works expenditure programme for 2009/10 was subjected to significant changes throughout the year as the level of grant awarded was much lower than budgeted. The Louth Canal pumping station improvements, which was not awarded grant aid, and the new office project have not been undertaken in the year. The Boygrift culvert and storage area works were only expected to be expensed to £75,000 against a gross pre-grant budget of £250,000. The major item of unbudgeted expenditure in the year were the renovation works to the Strubby depot offices (£113,000). The programme had been much changed during the year with Board approval but it is now expected that the programme would achieve 60% of the gross spend by the end of the year. Of this underspend, £217,000 related to accounting changes re the abolition of loan pool.

Delivery of the programme recommended for 2010/11 was expected to be less likely to require variation. The plans show a likely expenditure on revenue and grant aided works of £1.457million, a reduction on the planned expenditure for 2009/10 of around 25%, although 2009/10 included £620,000 for the new office project. The net capital funded by rate in 2010/11 is £1.315million, compared to the 2009/10 estimate of £1.246million and the revised 2009/10 estimate of £1.027million.

The major scheme introduced for 2010/11 subject to grant aid approval, would be the Chapel Culvert replacement (C10250) with the balance of the expenditure on this project being funded by way of a ten year Public Works Loan Board loan. The next largest scheme by value would be the Strubby yard and new storage building project (C09042) for £85K which was subject to the agreement of a lease with the Environment Agency.

Provision had also been made to make Wellington House compliant with disability access regulations for visitors.



(e) Environment Agency Precept

The rise in precept had been set at 0% for all internal drainage boards.

(f) Support Services

The estimates had been prepared in line with the recommendations of the Staffing and Resources Committee as approved by the Board on 24th November 2009. The estimates included no inflation increment.

(g) Summary/Recommendation

The schedules indicated that following a severe examination of all costs within the estimate, a no increase estimate of 13.5p in the pound would be required to fully fund the proposed expenditure in line with the current rate of inflation.

The Clerk confirmed that the Board would be able to undertake all work necessary during the next financial year with a standstill budget and this would also show support to the Council. He emphasised that 2010/11 was the last year of the three year settlement for local authorities and he had no doubt that the budgets in the following years would get tighter.

The Clerk reported that the County Council would have to make a £100million saving during 2010/11 and the effects of this would no doubt cascade down.

Cllr R.B. Shields suggested that members agree the rate and the estimates could be amended accordingly. Cllr Shields proposed a rate of 13.5 pence and this was seconded by Mr G. Billings.

Further to comments made at the November Board meeting, Councillors G. Gooding and D.G. Andrews confirmed that they were not aware of any discussions by the Executive Committee.

The Director of Finance assured members that adequate provision had been made for electricity costs should a heavy rainfall event occur during the current financial year. Mr G. Crust was concerned that if there was an extremely wet winter a higher rise in the rate would be required for next year. He stated that a small regular increase was preferable and proposed a 14 pence rate. This proposal received no seconder.

Mr R.H. Needham stated that as long as the Board could undertake all necessary works on a standstill rate this should be adopted. He was concerned how it would be perceived if the Board increased the rate when other authorities were having to make cut backs.

Cllr W. Parkinson was concerned about a standstill rate for 2010/11 if cut backs looked likely in 2011/12, stating that it could be very difficult to catch up in the future and it was essential that the Board's standard of service was maintained.

The Vice-Chairman stated that the Board had provided an excellent service in the past and must continue to do so in the future. He emphasised that the budget should be set according to the works required and not because of other authorities. He proposed a rate of 13.75% (a rise of 2%).

Mr W. Cooper stated that the Board must be aware of what the money was to be spent on in order to set the rate. The Chairman stated that all necessary works could be carried out on a standstill rate.

After a vote it was RESOLVED

that the estimates of income and expenditure be prepared based on a rate of 13.5 pence in the pound for approval at the January Board meeting.

4. LOCAL GOVERNMENT SUPERANNUATION FUND

As requested at the November Board meeting, the attached report on the pension fund deficit was circulated.

In response to Mr D.R. Tagg, the Director of Finance reported that the employees' contributions had been increased a couple of years ago but any changes would need the agreement of the employees and the unions.

In response to Cllr R.B. Shields, the Director of Finance confirmed that other boards were in a similar position as Lindsey Marsh but had agreed to remain in the Scheme.

RECEIVED



CHAIRMAN