

**AT A MEETING of the NORTH EAST LINDSEY DRAINAGE BOARD  
held at the AMETHYST HOTEL, EAST HALTON  
on TUESDAY 17<sup>th</sup> MAY 2016 at 2.30pm**

**Present      *Elected Members* :**

Julian Hargreaves (Chairman), Lionel Grooby  
(Vice-Chairman),  
John Dodds, Philip Hoyes, Ian Pickersgill and George  
Turner.

***Council Appointees* :**

**North East Lincolnshire Council -**

Councillors Iain Colquhoun, Henry Hudson and  
Alderman Peter Mills.

**North Lincolnshire Council -**

Councillor David Wells.

**1                    CHAIRMAN'S ANNOUNCEMENTS**

There were no Chairman's announcements.

**2                    APOLOGIES FOR ABSENCE**

Apologies for absence were received from John Finch, Kit Read, Ted Shepherd,  
Councillors Peter Clark, Margaret Cracknell and Bill Parkinson.

**3                    MINUTES**

The Minutes (as circulated) of the Meeting of the Board held on the 2<sup>nd</sup> February  
2016 were approved and signed by the Chairman.

#### 4 RATES AND FINANCE

The Clerk reported that the position as at the 30<sup>th</sup> April 2016 was as follows :

##### (a) Collections -

##### (i) Rate Income :

Rate demands for 2016/17 were currently being prepared and would be despatched shortly.

##### (ii) Other Income :

Associated British Ports	- 2016 Contributions to Rosper Road Pits Project	£ 2,500-00
Conergy	- Consent Fee	£ 50-00
HM Customs & Excise	- ¼ VAT Refund to 31/3/16	£14,581-03

##### (b) Financial Statement -

General Account	£	979-59
Disbursement Account	£	
5,497-51		
Deposit Account	£	342,698-79
Barclays (Conoco) Account	£	279,697-36

##### (c) Accounts Paid

The accounts paid net of VAT (16<sup>th</sup> January cheque No. 102873 to 30<sup>th</sup> April cheque No. 102908) together with direct payments totalling £147,685-82 were considered by the Board. The Clerk's action in drawing orders on the Boards Bankers in respect of the amounts paid was approved.

## **5 AUDIT OF ACCOUNTS**

The Clerk reported the Littlejohns had appointed the 18<sup>th</sup> July 2016 as the date for the 2015/16 Audit.

### **(a) Internal Audit**

Our Internal Auditor, Robert Peyton has completed his audit and the Statement of Accounts together with his report are set out below:

The Chief Executive submits a report at each Board Meeting on payments to date.

On checking the report to payments, I noted some minor errors. The Chief Executive agreed to report up to the end of the month previous to the report being prepared to allow for easier checking of the totals recorded. Unfortunately after the first report the Chief Executive reverted to previous procedure and reported to the middle of a month. It is vitally important that the Board receives and authorises a totally accurate report on expenditure.

The Chief Executive's expenses have not been signed off by the Chairman. I recommend that the Chief Executive's expenses be authorised before payment.

Overall the systems are adequate and no errors were found which would have a material effect on the annual accounts.

Yours Faithfully

R H Peyton BA FCA

The Internal Auditor's report was discussed in detail and in particular the outstanding rates due from Able.

The Chairman had written to Peter Stephenson detailing the amount payable and requesting payment but no response had been received. The Members expressed their concern at the current position and they were assured by the Chairman that all efforts will be made to recover the debt and if necessary legal action would be taken.

The other points raised in the Internal Auditor's report were discussed and the Clerk's explanations accepted.

**RESOLVED that the Accounts for 2015/16 as presented be approved and confirmed.**

**(b) Statement of Responsibilities for the Statement of Accounts 2015/16**

**The Statement of Responsibilities for the Statement of Accounts 2015/16**

The Board is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this the Board that officer is the Chief Executive.
- to manage its affairs to secure economic, efficient and effective use of its resources and safeguard its assets.

The Chief Executive's Responsibilities:

The Chief Executive is responsible for the preparation of the Board's Statement of Accounts which is required to present a true and fair view of the financial position of the Board at the accounting date and its income and expenditure for the year ended 31<sup>st</sup> March 2016.

In preparing this statement of accounts, the Chief Executive has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- compiled the accounts in accordance with the Financial Reporting Standard for Small Entities 2008 issued by the Accounting Standards Board and had regard to the guidance published by the Association of Drainage Authorities on Accounting for IDBs;
- applied the accounting concept of a "going concern" by assuming that the IDB will continue to operate for the foreseeable future.

The Chief Executive has:

- kept proper accounting records which were up to date and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Chief Executive

This Statement of Accounts 2015/16 is that upon which the Auditor should enter his certificate and opinion. It provides a true and fair view of the financial position of the Board as at 31<sup>st</sup> March 2016 and its income and expenditure for the year then ended.

Certificate of the Chairman of the Board

I confirm that these accounts have been approved by North East Lindsey Drainage Board at a meeting held on Tuesday, 17<sup>th</sup> May 2016.

Signed by: Julian Hargreaves, Chairman  
.....

Date: .....

**RESOLVED that the Statement of Responsibilities for the Statement of Accounts 2015/16 be approved and signed by the Chairman.**

**(c) The Annual Governance Statement 2015/16**

**The Annual Governance Statement 2015/16**

We acknowledge as the Members of North East Lindsey Drainage Board our responsibility for ensuring that there is a sound system of internal control, including the preparation of the Statement of Accounts, and confirm, to the best of our knowledge and belief with respect to the Board's

statement of accounts for the year ended 31 March 2016, that:

1. We have approved the Statement of Accounts 2015/16 which has been prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.
2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.
3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice which could have a significant financial effect on the ability of the Board to conduct its business or on its finances.
4. We have provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.
5. We have carried out an assessment of the risks facing the Board and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.
6. We have maintained throughout the year an adequate and effective system of internal audit of the Board's accounting records and control systems and carried out a review of its effectiveness.
7. We have taken appropriate action on all matters raised in previous reports by the Internal Auditor and by External Audit.
8. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Board and where appropriate have included them in the Statement of Accounts.

This annual governance statement is approved by the Board and recorded as a Board minute, dated Tuesday, 17<sup>th</sup> May 2016.

Signed on behalf of North East Lindsey Drainage Board.

Signed by: Julian Hargreaves, Chairman  
.....

Date .....

Signed by: Trevor Vessey, Chief Executive  
.....

Date .....

**RESOLVED that the Governance Statement for 2015/16 be approved and signed by the Chairman and Chief Executive.**

## **6 MANAGEMENT OF THE BOARD**

The Chairman referred to the discussion at the last meeting and stated that a further meeting had been held with Jane Froggatt, the Chief Executive of the Witham Boards and most of the loose ends had now been cleared up. He was, therefore, confident that we were now in a position to sign an agreement that the Witham Group take on our management with effect from the 1<sup>st</sup> April 2017.

George Turner said that it was quite a shock at the last meeting that we had gone so far in progressing this arrangement. He felt very strongly that we should retain our own Chief Executive and he considered that the success of the Board was due to Trevor's local knowledge and being accessible and approachable. As a Member he did not consider that he could serve the ratepayers as well if we don't have our own Chief Executive and office at Ulceby.

The Chairman stated that he did not disagree with the comments but the complexities of running a Board were now much greater than they were a few years ago with all the rules and regulations and issues like Health and Safety. It is very difficult for one person to take on and deal with all of these matters. He accepted that joining the Witham Group was a leap into the unknown but actually a bigger leap would be hiring a replacement for Trevor.

George Turner was still of the opinion that if Trevor was to continue two days a week the Board could hire a new younger man to work alongside and then we keep our local identity.

Both Ian Pickersgill and Henry Hudson agreed that it would not be possible to manage with one person to do a job that was increasingly changing and demanding.

The Clerk stated that 10 years ago all the Boards were similarly run to ourselves but now, certainly in Lincolnshire, we were the only one left. Other Boards now have specialist people dealing with Health and Safety, GIS mapping, Conservation, Governance etc. We have been very lucky on the technical side and for many years had one of the best people in the country in David Noble. David was replaced by an ex Environment Agency engineer, Chris Noble who has now indicated that he wishes to retire. It is difficult to envisage where we will find that calibre of person again to work in a part time roll.

The Vice-Chairman understood George Turner's concerns but stated that he, the Chairman and Clerk were involved on a day to day basis and what we have on the table is the best that can be achieved.

Philip Hoyes understood George's concerns but in view of the complexities and requirements the job is now beyond one man. His main concern was the lack of contact and what Darren Scott's new role will be. He considered that rather than ring the Witham Group we must have someone local to make direct contact with. The Chairman fully endorsed the comments and it had been made very clear to the Witham Group that Darren Scott stays in our Board's area. He is employed by our Board and will be exclusively giving his services to us and this has been a key point in setting up the agreement. When Trevor retires he would like to see Darren attend our Board meetings.

Philip Hoyes stated that Trevor was our point of contact with Darren on the ground. If we go with the Witham Group he would like to see Darren move up a notch and given more independence so that in the event of flooding we have a direct point of contact.

The Vice Chairman agreed as to how we see Darren's role. We would also have the services of the Witham engineer, Martin Shilling who Trevor has known for a long time and respects. Darren will, therefore, have the back up of both Martin and other staff to cover for him when on holiday or sick. At the moment he is on his own. He will have the support when having to carry out method statements and risk assessments.

The Clerk stated that with all the requirements now on drainage boards we were too small to remain independent. If the Board had in the past amalgamated with say Ancholme they would be in a position to finance their own requirements. The proposed set up with the Witham Group enables us to retain our independence with our own Board meetings and a man on the ground.

The Vice Chairman said that he had discussed the Witham set up with Board Members and they all get on well and retain their independence. They had concerns when they joined but it had all gone very well.

Ian Colquhoun felt that the key was a local contact and also wondered, if we go ahead with the proposal, who do people ring.

The Clerk explained that our telephone calls would automatically be directed to Lincoln although calls were getting less and less with most of the queries being dealt with via emails. A number of members were keen to see that the future arrangements for telephone calls applicable to this Board was addressed.

In response to questions the Chairman stated that the annual cost of running the Board would be very similar to now. We have a management account of £50,000 and £10,000 of this may be required for the initial set up costs e.g. rating and GIS mapping.

The Chairman stated that he was well aware of the extra responsibility that will fall on Darren as the man on the ground. It should be pointed out that Martin Shilling lives in Tealby so is easily accessible. We have put a lot of energy into the future management and using a lot of my own commercial experience. I feel that this is the right way to proceed. The Board have the right to say no and go down the route of replacing Trevor but at my time of life I don't want the



hassle of taking that option.

In response to a question from George Turner the Clerk stated that the whole matter arose from carrying out a Risk Assessment and realising he was the biggest risk. We looked at Witham providing emergency cover but we can't go on open ended forever. I have been lucky in health but recently lost my mother and my father is in hospital. It has been a very difficult time but as a one man band you have to try and keep on top of the job. Drainage Boards are becoming more and more important and before long we will be accepting main river from the Environment Agency. There is talk of Board's taking on extra responsibilities not just in the district but within their catchments which extends as far as Caistor. This proposal is gaining momentum with the possibility of levying drainage rates to fund the costs.

Philip Hoyes asked if we could clarify the status of the Witham Boards. The Chairman responded by stating that there were three independent Boards administered by the Group and all were public bodies. If we join there will be four boards and their costs will be spread accordingly. Within the terms of the agreement we have the right to withdraw after one year if we are not happy with the arrangement. There had been a lot of emphasis today on localism and it rests on my shoulders if we get it wrong or right. It is a huge leap into the dark but I would not wish to continue as Chairman if the Board went down the route of replacing Trevor.

It was **PROPOSED** by Councillor Henry Hudson and **SECONDED** by Ian Pickersgill and **RESOLVED (1) that with effect from the 1<sup>st</sup> April 2017 the Witham Group**  
**of Boards be engaged to**  
**manage and administer this**  
**Board.**

The motion was carried by 9 votes to 1 and George Turner wished his opposition to the proposal be recorded ; and

**(2) that Jane Frogatt (Chief Executive) and Martin**  
**Shilling**  
**(Director of Operations) be invited to**  
**the next Board**  
**Meeting.**

## 7 HIGHLAND WATER CLAIM 2015/16

The Clerk stated that the Board's claim had been submitted to the Environment Agency as follows:

(a)	Pumping Station Expenditure	£47,635	
	Environment Agency Contribution		£16,525
(b)	Total Expenditure on Drains Receiving Highland Water	£81,818	
	Environment Agency Contribution		£11,863
(c)	Other costs allocated to drains	£38,524	
	Environment Agency Contribution		£ 8,485
			<hr/>
		<b><u>TOTAL CLAIM</u></b>	<b><u>£36,873</u></b>

This compares with a claim of £37,700 for 2014/15.

## 8 INSURANCE PREMIUMS 2016/17

The Clerk stated that the insurance premiums for 2016/17 totalled £17,925, an increase of £1,246 on last year.

The increase is primarily due to a premium of £587 in respect of an additional £5m cover to the Public Liability insurance and a rise in the Insurance Premium Tax of £560.

## 9 KILLINGHOLME MARSHES

The Clerk reported as follows:

### (a) Scheme Design

A meeting was held at the Ashbourne Hotel, North Killingholme on the 10<sup>th</sup> March 2016 and included representatives from Able, NIRAS, Peter Brett & Associates, the Board's Chairman and myself.

NIRAS had been appointed by Able to design the quay and the pumping station. They presented their concept design for the station and asked for any specific requirements the Board may have in order that these could be included at this early stage.

It was agreed that the Board's Consultants Peter Brett & Associates would oversee the design on our behalf and Able have confirmed that they will cover the Board's reasonable costs in respect of checking the design.

Subject to the design being in accordance with our requirements and a commuted sum being agreed with Able we would consider adopting the pumping station on completion.

Things had taken on a positive, until Dong Energy were recently featured on Look North on their lack of investment on the South Humber Bank. The Chairman expressed his concerns to Martin Vickers MP as to the lack of progress on the Able development and he asked that the Board send him a letter to that effect which he will show Angela Leadsom, the Minister for Energy. That letter had been sent today as follows:

*"Dear Martin*

*I write to register my Board's concerns at the lack of progress with regard to the above development.*

*The Board became involved in the promotion to the Killingholme Marshes Drainage Scheme way back in 2004 and at that time a number of parties were possible contributors. With the involvement of Yorkshire Forward the Board promoted a strategic solution for the area and provided a service way above the legislative requirements of a Drainage Board. As has always been the case the Board went out of their way to assist and promote developments within their district.*

*Our commitment to the scheme has, however, been to no avail and the project is*

*now in the hands of one developer and we have to be mindful of the support we offer as a public body to a single beneficiary.*

*Not surprisingly a development of this magnitude and the creation of a possible 4000 jobs has received the cross party support of local MP's and North Lincolnshire Council. The present position from the Board's point of view, however, is extremely unsatisfactory and finding support for our concerns is proving to be very challenging.*

*Despite all the publicity there is still no guarantee of the inward investment required for the pumping station to be constructed and in the meantime ground raising has taken place on a huge scale using semi-permeable stone and there is still no provision and funding in place for the drainage scheme to be implemented.*

*The Board are extremely concerned that other existing developments within the catchment are at risk of flooding as a result of the ground raising that has taken place and that suitable drainage infrastructure must be given a high priority."*

**RESOLVED that the present position be noted.**

**(b) C-Ro (Humber Sea Terminal)**

The Clerk reported that he, the Chairman and Vice-Chairman met with Mike Henis of C-Ro on the 16<sup>th</sup> March to discuss the latest position regarding the scheme and their contribution of £401,159.

Although Mike favoured the payment of the contribution for a direct discharge, he had to discuss the options with his colleagues before confirming.

**(c) European Regional Development Fund - Funding Bid**

The Clerk stated that North Lincolnshire Council submitted a funding bid on the 8<sup>th</sup> April 2016 in respect of both the Killingholme Marshes Scheme and the East Halton Flood Defences.

A decision on the applications was expected in mid June.

## 10 IMMINGHAM MOTORCYCLE TRACK

The Clerk reported that following the last meeting he had a number of discussions with Officers at North East Lincolnshire Council regarding the project.

It appears that although the tenants had vacated the site it was still being run as a Council project and the current problems are due to a lack of funding.

The matter would be discussed at a Council meeting later this month and if it was decided to withdraw they will honour the terms of the lease and clear the site to the Board's satisfaction.

An Immingham Community Group have expressed an interest in taking over the site and I have spoken to Councillor Dave Watson and explained the current position.

**RESOLVED that the present position be noted.**

## 11 ROSPER ROAD PITS PROJECT

The Clerk stated that £2,500 had been received from Associated British Ports in respect of their 2016 contribution towards the project.

The present financial position is as follows:

Balance at 1/4/15		11,029 - 00
2015/16 Expenditure - D. Roberts(hedge removal)		<u>3,200 - 00</u>
		7,829 - 00
ABP - 2016 Contribution	2,500 - 00	
NELDB - 2016 Contribution	<u>2,000 - 00</u>	<u>4,500 - 00</u>
	<b>CURRENT BALANCE</b>	<b>£ <u>12,329 - 00</u></b>

The Vice-Chairman stated that during the Autumn we would carry out some

dredging of the pits and re-profiling. The current balance is sufficient for this work and it would make the pits more wader friendly.

Ideally we would like the northern 8 acres (owned by the Environment Agency), fence the area and cattle farm it.

**RESOLVED that the dredging and re-profiling works scheduled to be carried out later this year be approved.**

## **12 CONISTON CRESCENT - HUMBERSTON SCHEME**

The Clerk stated that North East Lincolnshire Council had presented a business case to Anglian Water in respect of the above scheme and highlighted the contributions offered by the Board and the Environment Agency.

Anglian Water were now considering a contribution and North East Lincolnshire Council were awaiting their response.

## **13 DEVELOPMENT CHARGE - MIDDLE DRAIN CATCHMENT**

The Clerk reported that the Board had recently received a development charge of £176,000 from Paragon in respect of 8.8 hectares of car storage at North Moss Lane, Stallingborough. They are now looking to develop Phase 2 of the project which will be of a similar size and are again considering the payment of a development charge for direct run-off.

North East Lincolnshire Council were planning a commercial development of 64 hectares on land adjacent to the A180/Stallingborough interchange and they have asked what proportion of the site the Board could accept as a direct discharge and what the contribution rate will be.

In view of these and other potential developments in the catchment it is important that we now carry out a Catchment Study to determine the additional direct run-off which could be accepted by the drain system. We have no doubts that the pumping station can accept direct flows from many more hectares of development but there may be issues with the capacity of the channel upstream of North Moss Lane and importantly the road bridge/culvert under the

road.

We have instructed Peter Brett & Associates to carry out the study at an estimated cost of £10/£12,000 and this will be met from our Developer Contributions Account.

**RESOLVED** that the action taken be approved and confirmed.

#### **14 MOWING CONTRACT**

The Clerk stated that Beaverbridge Plant would be retiring at the end of the 2016 season (final year of the contract).

Tenders for the 2017-2019 contract would be invited in September.

#### **15 HILLY PITS - THORNTON CURTIS**

The Chairman referred to the last meeting when it was reported that the 2013 planning application was refused and the applicant lodged an appeal.

A hearing was held in Scunthorpe on the 3<sup>rd</sup> December 2015 and I can now confirm that the Inspector has dismissed the appeal.

## **16 CONSERVATION MATTERS**

The Vice-Chairman stated that it had been a cool spring but swallows and swifts were in abundance.

As part of the A160 scheme the Highways Agency had compulsory purchased a lagoon from Phillips 66 for temporary works. The area is adjacent to Rosper Road Pits and would make an ideal extension to our project. He and Darren Scott had met with Costain and the Highways Agency but they insist that the land had initially to be offered back to Phillips 66. He was, however, confident that although this would slow the process down it would end up managed or owned by the Board.

The Humber Mitigation project appeared to have slowed down with no recent contact from either the Council or Roger Wardle.

## **17 PLANNING APPLICATIONS**

A schedule of planning applications and replies were circulated to all Members and approved.

## **18 DATE OF NEXT MEETING**

The next meeting was fixed for Tuesday the 6<sup>th</sup> September 2016 (2.30pm) at the Amethyst Hotel, East Halton.

## **19 ANY OTHER BUSINESS**



**(a) Management of the Board**

George Turner referred to the discussions on the future management of the Board and stated that he respected the democratic decision but that on reflection he wished to tender his resignation as a Member of the Board.

The Chairman stated that the agreement to be entered into with the Witham Group gives this Board a get out clause with one years notice. He asked George Turner if he was prepared to stay on for one year and if he didn't like the new arrangement his reason for resigning would be understood. George Turner agreed to stay on for the time being and review his position after one year under the new management.

**(b) ADA Lincolnshire Boards**

Lionel Grooby reported that our Chairman had been appointed Vice-Chairman of the Lincolnshire Branch of ADA.

**(c) Middle Drain - Sea Doors**

Ian Pickersgill asked if there had been any progress on the leaking sea doors.

The Clerk stated that a recent email had been received from the Environment Agency stating that an inspection would be made in late summer.

**(d) Skitter Beck**

George Turner stated that he had taken photographs of the Environment Agency's Skitter Beck with briars growing on the banks. Nothing grows under briars and he was concerned that John Farrow would lose land as a result of bank slips.

There being no further business the meeting closed at 4.20pm.

***Chairman***