



# Rawcliffe Internal Drainage Board

MINUTES OF THE FULL BOARD MEETING, WEDNESDAY 8<sup>TH</sup> JANUARY 2020 AT RAWCLIFFE VILLAGE HALL, STATION ROAD, RAWCLIFFE, DN14 8QP

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## PRESENT:

Ratepayer Members: Mr Chantry (Ch) Mr Sykes (VCh) Mr Nicholson Mr Lewis

Appointed Members: Mrs Backhouse Mr McKenna Mr Shubrook Mr Fillingham

Co-opted Members:

Members Present: 8

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## APOLOGIES:

Ratepayer Members: Mr Priestley Mr Blacker

Appointed Members: Cllr Fox Mr Dresser Cllr Sargeantson

Co-opted Members:

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## ABSENT:

Ratepayer Members:

Appointed Members: Mr White

Co-Opted Members:

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## IN ATTENDANCE:

Officers: Mr McLachlan – Chief Executive (CEO)  
Mr Towse – Operations & Technical Manager (OTM)  
Mrs O’Driscoll – Board Secretary (Minutes)

Others:

**Andrew McLachlan**  
Chief Executive Officer and Clerk to the Board  
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## Contents

750.	Order of Meeting .....	3
751.	Welcome, Introductions and Apologies.....	3
752.	Health & Safety .....	3
753.	Declarations of Interest.....	3
754.	Additional Agenda Items.....	3
755.	Election of Chairman .....	3
756.	Appointment of Chairman .....	4
757.	Election of Vice Chairman .....	4
758.	Appointment of Vice Chairman.....	4
759.	Minutes of the Previous Full Board Meeting 15 <sup>th</sup> May 2019 .....	4
760.	Matters Arising.....	4
761.	Minutes of ADOC Consortium Meeting .....	5
762.	Financial Position .....	6
763.	Invoices Paid and Accounts Settled .....	6
764.	Internal Audit .....	6
765.	Conclusion of Annual Audit 2018/19 .....	7
766.	Budget & Rate Setting.....	7
767.	Policies Review .....	9
768.	Register of Members' Interests.....	9
769.	Capital Programme. ....	9
770.	Maintenance .....	10
771.	Planning and Development.....	10
772.	Elections .....	11
773.	Date of Next Meeting.....	11

## **750. Order of Meeting**

750.1. The CEO welcomed members to the meeting and explained that as this was the AGM, with the consent of the Board, he would chair the first part of the meeting until the Chairman was installed.

750.2. He added that following the appointments, normal Board business would commence.

## **751. Welcome, Introductions and Apologies**

751.1. It was claimed that Mr White no longer an appointed member of the Board. The Chair requested Mr White be removed from the list of Board Membership. **Action CEO.**

751.2. Apologies were given from Cllr Sargeantson, Mr Dresser, Cllr Fox, Mr Blacker, Mr Priestley.

751.3. The CEO also gave apologies from the Policy and Finance Manager, Miss Cowen.

## **752. Health & Safety**

752.1. There were no Health & Safety issues to report.

## **753. Declarations of Interest**

753.1. There were no Declarations of Interest.

## **754. Additional Agenda Items**

754.1. The CEO explained that on advice from the Internal Auditors and in accordance with the regulations as to proceedings of the Board (Standing Orders), other business that does not appear on the agenda may be discussed, but only with the agreement of 75% of members present.

754.2. Mrs Backhouse asked if the matter of Elections could be added for discussion. All Board Members were happy for this to be added to the agenda after Item 22 (Planning & Development).

754.3. Mr Chantry asked if items could be raised for discussion and added to the agenda at any time during the meeting, so long as there was agreement from 75% of Board members. The CEO confirmed this.

## **755. Election of Chairman**

755.1. The CEO set out the procedure for the election of the Chairman and oversaw proceedings.

755.2. Nominations were invited by the CEO for the role of Chairman.

755.3. No further nominations were received.

755.4. It was PROPOSED by MR MCKENNA and SECONDED by MRS BACKHOUSE and UNANIMOUSLY RESOLVED that MR CHANTRY be elected as CHAIRMAN.

**756. Appointment of Chairman**

756.1. Mr Chantry was appointed as Chairman.

**757. Election of Vice Chairman**

757.1. The CEO set out the procedure for the election of the Vice Chairman and oversaw proceedings.

757.2. Nominations were invited by the CEO for the role of Vice Chairman; nominations were made for Mr Sykes.

757.3. It was PROPOSED by MRS BACKHOUSE and SECONDED by MR FILLINGHAM and UNANIMOUSLY RESOLVED that MR SYKES be elected as VICE CHAIRMAN.

757.4. No further nominations were made.

**758. Appointment of Vice Chairman**

758.1. Mr Sykes was appointed as Vice Chairman.

**759. Minutes of the Previous Full Board Meeting 15<sup>th</sup> May 2019**

759.1. Mrs Backhouse requested that the status of members recorded on the front page of the minutes be reviewed and corrected as she believed there were errors in who had been recorded as appointed and elected members; she told the CEO what she believed the status of each member should be and the CEO noted this information for checking. **Action CEO/Board Secretary.**

759.2. It was PROPOSED by MR MCKENNA and SECONDED by MR FILLINGHAM and UNANIMOUSLY RESOLVED that these minutes be adopted as a true record, subject to any necessary alterations to members' status on the first page.

**760. Matters Arising**

760.1. The CEO went through the standing matters arising.

760.2. Regarding matter 717.3 – the Chairman explained that he had not progressed any further with the issues concerning Mr Bate's name being a signatory on one of the Board's bank accounts. The CEO said he would look into this matter. **ACTION CEO.**

760.3. The CEO notified that matter 720.7 - consolidation of bank accounts - and matter 726.1 - Dobella pump guards - were still on going.

760.4. With regards to matter 747.3 – request for extended warranty for new pump at Westside PS, the name of the pumping station needed correcting to Pastures PS. The CEO gave the history

of the problems that had been incurred getting the replacement pump in place. The OTM added that an inordinate amount of time had been spent trying to deal with these issues.

- 760.5. The CEO explained that the pump had been out of use since 2017; £27,000 had been paid however £4,000 had been kept back.
- 760.6. He asked the Board for permission to contact the company and give them until the following week to sort the problems with the pump or otherwise look to start legal proceedings against the company.
- 760.7. He added that landowners had suffered as a result of these issues.
- 760.8. Discussions took place regarding the problems due to the pump not being replaced on time and the implications for the Board if another pump was to fail.
- 760.9. The Chairman added that the new pump should have been fitted before OHDB took over management of the Board, over a year and a half ago.
- 760.10. All Board Members were happy for the CEO to pursue this with the company and take further if necessary. **ACTION CEO.**
- 760.11. The OTM updated on the repairs at West End PS, which were being carried out by the same company replacing the pumps at Pastures. The company had now visited the PS but the repairs still needed to be carried out.

#### **761. Minutes of ADOC Consortium Meeting**

- 761.1. The CEO directed members to the minutes of the Consortium meeting held on the 26<sup>th</sup> November 2019 (Appendix B of the meeting papers), for noting.
- 761.2. For those members not present at the meeting, the CEO updated that OHDB would take over management of Black Drain Drainage Board and Danvm Drainage Board from April 2020.
- 761.3. He advised that Black Drain would be joining ADOC as a new consortium member, under the same agreement terms as the other ADOC boards. He added that the Danvm contract would be different due to its size; management of this Board would be via a Shared Services agreement.
- 761.4. He added that these new contracts would allow for the organisation to improve efficiency.
- 761.5. Discussions took place regarding the rationalisation of pumping stations exercise mentioned in the minutes and how creating a new cut may enable a pumping station to be decommissioned. The OTM reiterated that this was just a feasibility study at this stage.
- 761.6. The CEO updated Board Members that he had met with the area manager for Highways England and that this had been a highly productive meeting. He added that Highways England were keen for the Board to undertake the maintenance of the motorway ditches.

- 761.7. Discussions took place on the commuted sum agreement; the CEO explained that this new maintenance agreement was about improving relationships with Highways England. Mr Lewis commented that he believed it was now time for a new agreement. The OTM commented that they could argue that the commuted sum was for the life span of pumping stations which were now coming to the end of their design lives.
- 761.8. The CEO added that he had also written to the Canal and River Trust, advising them that the rate was under review.

## **762. Financial Position**

- 762.1. The CEO explained the latest financial position in respect of income and expenditure up to Quarter 3 according to the Board's approved budget (provided at Appendix C of the meeting papers). He advised that, based on estimated outturns at the end of the financial year, the Board stood to have a budget deficit of £670. He added that this was despite an additional amount received from the special levy adjustment carried out earlier in the year. He cautioned that the outturn position may of course change by year end. He continued that the report also showed an estimated budget requirement for next year, to be discussed under item 17.
- 762.2. Work to be undertaken during 2020/21 was discussed. The CEO advised he would like to undertake a full programme of works during the next season with a recommended budget of £84,000.
- 762.3. Discussions took place on what the proposed budget would mean for the Board's Financial Position. The CEO informed there were three choices; to approve the proposed budget, draw down additional funds from reserves, or increase the drainage rate above the CEO's recommended 3% increase.
- 762.4. He recommended that these discussions continue under item 17 on the agenda and that Board members take time to consider the options.

## **763. Invoices Paid and Accounts Settled**

- 763.1. The CEO directed members to the invoices paid and accounts settled for the first three financial quarters of 2019/20, also at Appendix C.
- 763.2. It was AGREED by ALL that the Board approves the invoices paid and accounts settled, totalling £69,443.04, as a true record.

## **764. Internal Audit**

- 764.1. The CEO informed that there had been nothing of concern to report back from the Board's Internal Auditors who had carried out a review of the Board's accounts and governance on the 21<sup>st</sup> November 2019. The auditor had recommended two minor points regarding the Board's meeting agendas and minutes; firstly, that "Any Other Business" should be removed as a standing item from meeting agendas, and secondly, that for ease of reference, the total

expenditure figure for the relevant financial quarter(s), as reported under the Invoices Paid agenda item, should be recorded in the minutes.

#### **765. Conclusion of Annual Audit 2018/19**

765.1. The CEO explained that the Board's External Auditors PKF Littlejohn completed their annual audit of the Board and concluded that there were no matters that required attention (clean bill of health). The results of the report had been published on the Board's website.

#### **766. Budget & Rate Setting**

766.1. The CEO turned to the Board's budget and rate, explaining that the Board was required to set the rate and special levy demand, and to notify the local authority by 15<sup>th</sup> February.

766.2. The CEO précised the Budget Report and Maintenance Plans laid out in item 17 of the meeting papers.

766.3. He explained that the rate was calculated based on the aggregate annual rental value (AV) of all land and property within the drainage district based on values equivalent to those in 1988. He added that the Board must first decide on their budget requirement both in the next and future years, giving consideration to:

- Operational Expenditure Requirement in 2020/21
- Capital Expenditure Requirement in 2020/21
- Other Commitments
- Requirement for Capital and Emergency Reserves

Reserves

766.4. The CEO advised that at least 66% or  $\frac{2}{3}$  of the Board's operational budget be held as reserves in case of an unforeseen disaster or emergency, such as the 2013 tidal surge event.

766.5. It was previously estimated that a substantial investment would be needed to bring the Board's assets up to an acceptable standard. This included improving the Board's existing pumping stations.

766.6. It was hoped that the government would change its funding formula in the next investment round to recognise that many assets such as pumping stations were reaching the end of their useful asset life. At present the only realistic alternative source of income was the statutory drainage rate.

766.7. The Board does not have enough reserves to meet the required capital investment. It was unlikely that the Board would have enough funds to respond to more than one catastrophic failure of a pumping station.

### *The Impact of Special Levy Transfers*

766.8. The CEO explained that Special Levy transfers were adjustments to ratepayer records when all or part of a hereditament changes from agricultural use to non-agricultural use or vice versa. The Special Levy charged on non-agricultural property was generally at a greater value/m<sup>2</sup> basis than the drainage rates charged on agricultural property, so special levy transfers could generate an increase in the Board's overall statutory income. He added however that, due to the relatively low rate of development in the district this year, special levy transfers were unlikely to make a substantial difference to income.

### *Budget Estimate*

766.9. The CEO referred members to the current estimated outturn position and budget at Appendix C.

766.10. He explained that again the Board was running at a deficit and depleting its reserves at an unsustainable rate. Despite adjustments in the special levy in 2019/20, the estimated outturn position was showing a deficit of £670.

766.11. He added that all other costs were estimates based on anticipated operational spend.

### *CEO Recommendation*

766.12. For year 2019/20 the Board had resolved that the rate should be set at 11.03p/£; this had raised £12,070.77 from agricultural ratepayers and £63,932.72 from domestic and business ratepayers (Special Levy).

766.13. The December forecast for (RPI) inflation was predicted to outturn at around 3% in Q4 2019/20.

766.14. The CEO recommended that, in order to meet minimum budget requirements for 2020/21, without drawing down funds from reserves, it would be necessary to raise the rate by 10%. This would mean an increase of £1.2k spread across all ratepayers and an increase of £6.4k in the special levy demand.

766.15. Discussion took place on reserves being drawn down year on year. It was pointed out by the OTM that in the past 5/6 years a third of the Board's reserves had been used.

766.16. Mr Sykes commented that the rate should be put up further in order to cover piling work needing to be carried out in the area.

766.17. Some discussion took place on the extra revenue that would be generated by a 12% increase; the CEO commented that he would not advise an increase of more than 10%.

766.18. The CEO calculated that a 12% rise would raise approximately an extra £1500.

766.19. It was PROPOSED by MR NICHOLSON and SECONDED by MR LEWIS that the rate for 2020/21 be raised by 10% and set at 12.13p in the £.



766.20. This motion was LOST, receiving two votes (6:2).

766.21. It was PROPOSED by MR SYKES and SECONDED by MR FILLINGHAM that the rate for 2020/21 be raised by 12% and set at 12.35p in the £.

766.22. This motion was PASSED, receiving 6 votes (6:2).

766.23. It was thereby RESOLVED by a MAJORITY VOTE that the rate for 2020/21 be raised by 12% and set at 12.35p in the £.

#### **767. Policies Review**

767.1. The CEO explained that in the interest of good governance, several of the Board's policy documents had been reviewed and updated by the PFM, directing them to Appendix D of the supplementary papers.

767.2. The CEO gave an overview of the policies and explained that many of them were based on ADA templates or guidance. He added that the PFM was currently in the process of reviewing the Financial Regulations.

767.3. The CEO advised that once the policies had been adopted by the Board, they would be published on the Board's website.

767.4. The CEO commented that as part of good governance there would be more policies reviewed and brought to future meetings.

767.5. It was PROPOSED by MRS BACKHOUSE and SECONDED by MR SHUBROOK and UNANIMOUSLY RESOLVED that the updated policy documents be adopted by the Board.

#### **768. Register of Members' Interests**

768.1. The CEO explained that the Board have a duty to keep a register of members' interest and that these were to be reviewed annually. These were filled in and handed back by those members present. Those not present would be asked to return the forms via post.

#### **769. Capital Programme.**

769.1. An update was given by the CEO who explained the Humberhead Levels Capital Maintenance Strategy.

769.2. He continued that a flood economics specialist and a modelling consultant had been employed to look at what would happen if maintenance of assets was stopped.

769.3. He added that £100,000 had been secured to carry out this survey to look at all the ADOC Boards' and OHDB's assets and what capital expenditure was required.

769.4. The CEO explained that this process needed to be thorough in order to apply for funding.

769.5. He clarified that, if in the meantime an asset failed, an emergency bid for funding could be put in.

769.6. Mr Chantry asked if the work being undertaken on this strategy came under the management fees paid by the Board to OHDB; the CEO confirmed that it did.

#### **770. Maintenance**

770.1. The OTM informed that all but two small sections of watercourse had been completed; the latter had not been completed as there was sugar beet on the land at the moment.

770.2. The CEO asked ratepayer members that they leave maintenance strips of 4 or 5 metres when planting sugar beet, potatoes or maize to ensure maintenance works can be completed. The OTM explained that this had caused problems this season. Mrs Backhouse queried if a letter could go out to ratepayers. The CEO advised that information leaflets had been sent out with the rate demands.

770.3. The OTM informed that there had been some slips between the sewage works and the school which needed to be looked at. It was also mentioned that there were problems with the grid at the culvert as rubbish was coming through and blocking it. The OTM said he would look into this and would look at getting a price for remedial works on slips next week. **ACTION OTM**

770.4. The CEO informed that the ADOC Boards' website now showed all maintenance work to be carried out and asked members to help spread the word. The OTM added that moving forward it was intended to make the map 'live' to show work that had been completed.

770.5. Mr Nicholson mentioned that part of the watercourse on Mill Lane had not been done by the contractor, at the back of the bungalows. Mr Chantry commented that this may not be a Board maintained dyke. The CEO referred to the map and confirmed that it was not included on the Board's maintenance map.

770.6. Mr Chantry explained that work may have been undertaken in the past by the Board's contractors.

770.7. The OTM commented that if there was a need for it to be maintained by the Board, it could be vested by the Board [included on the definitive maintenance map].

770.8. After some consideration, members agreed not to vest this watercourse and to leave the map as it was.

770.9. The OTM advised that should a ratepayer request to have a watercourse vested and put on the map, they can petition the Board.

#### **771. Planning and Development.**

771.1. The OTM informed that there was nothing to report.

**772. Elections**

772.1. As requested under Additional Agenda Items, elections were discussed.

772.2. The CEO informed that elections were to be held later in the year and that the PFM would go through the processes at the next meeting.

772.3. He clarified that the number of votes available to each landowner was dependent on their Rateable Value.

772.4. He added that the elections did not usually require a poll, but there had been some occasions in the past where this had occurred.

**773. Date of Next Meeting**

773.1. The CEO informed that the next meeting would be around mid-May 2020 and board members would be informed by letter.

773.2. He advised that the January meeting next year would be moved to a later date in January or early February due to issues with postage and holidays over the Christmas period.

773.3. Members present requested that future meetings be held at Rawcliffe Village Hall.