

**Minutes of the Full Board meeting of the
Lower Severn (2005) Internal Drainage Board
Meeting held Wednesday 8th June 2022 at 10.30 am
The Gables**

Present:

Cllr M Riddle (Chairman)
Ald P Abraham
Mr M Barnes
Cllr B Behan
Mrs F Collins
Mr J Cornock
Mr C Daniell
Mr R Godwin
Cllr R Griffin

Mr J Hore
Cllr J Jones
Miss R Hewlett
Mr R Hyslop
Mr J Nichols
Mr J North
Ald M Sykes
Ald C Williams

Kieran Warren	Principal Officer	PO
Martin Dear	Accounts Officer	AO
James Druett	Land Drainage Engineer	LDE
James Thomas	Civil Engineer	CE
Louise Reading	Minutes	

3416	<p>Apologies/Welcome</p> <p>Apologies were received from Mr G Littleton, Cllr P Howells, Mr G Simms, Mrs S Milestone & Mr T Cullimore</p> <p>The Chair welcomed James North and Charles Daniell.</p>	
3417	<p>Chairman's Announcements</p> <p>The Chair advised Members that there had been no health and safety issues to report.</p> <p>He also thanked Ald Williams who had taken up a seat on the LPGS Pensions Board. This was the first time the Board had had representation.</p> <p>He updated Members on a meeting that he, Mr Barnes, Ald Williams, and the PO had with the EA in May. The EA had indicated that the Board might be able to significantly reduce expenditure by only refurbishing the pumps to make them compliant with the Eel Regulations rather than undertaking major rebuilding works such as at Elmore.</p> <p>Miss Hewlett reminded members that on 6 October 2021 (minute 3273) they approved a PSG report that required the PSG to review what work was required for the remaining pumping stations and present it to members to enable the Board to make informed decisions on the extent of future works. Miss Hewlett hoped that such a review would not simply address the Eel Regulations, but also health and safety improvements and compliance, and the lifespan of other pumping station components.</p> <p>He added that the Project Steering Group (PSG) made up off himself, Mr Barnes, Mr G Simms, Ald Williams, the LDE, the CE and PO, planned to meet fortnightly and that this Group will bring to the Board a report detailing costs and options for the refurbishment of the four remaining pumps. The CE would be Lead Engineer on this project.</p> <p>A further meeting with the EA was scheduled for September 2022</p>	

	<p>The Chair also highlighted the importance of local Member engagement with the works relation to the four remaining pump refurbishments.</p> <p>In response to a question from Mr Nichols, the Chair confirmed that two pump suppliers had visited the stations; the LDE added that one would only quote for Oldbury and the second supplier provided quotes for all four. The details had been presented at the joint Engineering and Finance and General Purposes Committee meeting on 18th May 2022.</p> <p>Mr Hore asked why this option had not been explored before. The Chair explained that whilst the regulations had not changed the EA had, due to the challenges face by many IDBs, changed direction as to acceptable pump replacement works. He would forward the response he received from Lord Benyon in reply to a letter he had penned on behalf of the Board</p> <p>Mr Godwin added that it was important that certain functionality was included with the pump refurbishments. The Chair advised that all this will be considered at the next Board meeting via a report from the PSG.</p> <p>Mr Hyslop added that there may be benefit in looking at second hand value for pumps being replaced and their donation to a third world country.</p>	
3418	<p>Declarations of Interest</p> <p>There were no declarations of interest.</p>	
3419	<p>Minutes of the previous meetings <u>Full Board Meeting – 2nd February 2022</u> It was resolved that</p> <ul style="list-style-type: none"> • The minutes of the Full Board meeting on 2nd February 2022 be approved as a true and correct record. <p><u>Full Board Meeting – 25th May 2022</u> It was resolved that</p> <ul style="list-style-type: none"> • The minutes of the Full Board meeting on 25th May 2022 be approved as a true and correct record. 	
3420	<p>Matters arising from the minutes <u>Full Board Meeting – 2nd February 2022</u> Action 1 – Still outstanding Action 2 – PSG re-established last week so this action in currently pending Action 3 – Complete Action 4 – LDE received an up-to-date breakdown this week and will issue to all Members.</p> <p><u>Full Board Meeting – 25th May 2022</u> None</p>	
3421	<p>Committee Minutes <u>Governance & Probity Committee 30th March 2022</u> Cllr Behan advised Members that the Committee had appointed Mrs Collins as Vice Chairman of the Governance and Probity Committee.</p> <p>She asked Members to approved the amendment to the Voting on Appointment Procedure.</p> <p>It was resolved that</p>	

	<ul style="list-style-type: none"> • The Voting on Appointment Procedure be approved as per Appendix A <p>Some Members felt the wording of point f still remained unclear and some Members also questioned whether limiting who could be appointment as Chair or Vice Chair was really necessary. The Chair advised Members to contact Cllr Behan with any comments or suggestions they felt appropriate.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • Point F of the Voting on Appointment Procedure be reviewed by the Governance and Probity Committee. <p>Cllr Behan advised that the Committee had received a requested from Ald Williams that the Board comply with the Public Contracts Regulations 2015. Members discussed this and agreed that it should be considered by the Finance and General Purposes Committee.</p> <p>It was resolved that;</p> <ul style="list-style-type: none"> • The Finance and General Purposes Committee review the inclusion of the compliance of the Public Contract Regulations 2015 in the Board's Financial Regulations <p><u>Human Resources Committee 4th May 2022</u> These minutes were discussed at the extraordinary Board meeting called on 25th May 2022 (Minute No 3409 refers.)</p> <p><u>Finance and General Purposes Committee 18th May 2022</u> Ald Williams informed Members that the Committee had obtained an estimate of the liabilities at Avonmouth and Severnside. The current investment portfolio was sufficient in meeting this and any surplus be transferred to the Capital Expenditure reserve.</p> <p>In response to a question from Mr Barnes, Ald Williams confirmed that the £50,000 being transferred per annum from 2023/24 would not be sufficient in itself to cover the future Capital Programme but would contribute towards it.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • The developers fund of £50,000 plus 5% per annum (inflation) be transferred into the Capital Expenditure Reserve for the ensuing 20 years • Developers' funds be reviewed by the Treasury Sub Committee every 5 years • Any further sums from developers be treated the same way <p>Ald Williams informed the Board that in respect of the Treasury Management Policy and Capital and Financing Reserves Policy the Committee made no recommendations to change these</p> <p>It was resolved that</p> <ul style="list-style-type: none"> • The Treasury Management Policy be approved as per Appendix B • The Capital and Financing Reserves Policy be approved as per Appendix C <p>Ald Williams informed Members that the Internal Audit Report had been a success with no recommendations for further actions. He also said that it was time to appoint Internal Auditors for 2022/23 onwards. The quote received for Internal Audit services from Bishop Fleming had been competitive and given the Board niche business model and lack of</p>	
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	<p>interested parties at previous tenders the Finance and General Purposes Committee felt it prudent to appoint Bishop Fleming as Internal Auditors for a further three years.</p> <p>The Chairman referred to the Financial Reports in particular the Capital Programme. He reminded Members that these financial figures were based on the existing agreed pump replacement programme and could be subject to change, dependent on future decisions made by the Board in relation to the pump replacement programme. An update would be presented by the PSG at the next Board meeting detailing options.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • The Capital Programme to 2029 be noted as per Appendix D; • The Management Accounts 1st April 2021 to 31st March 2022 be approved as per Appendix E; and • The Insurance Policies for 2022/23 be approved and signed by the Chair as per Appendix F. <p><u>Joint Engineering and Finance & General Purposes Committee 18th May 2022</u></p> <p>Mr Barnes advised Members that Mr Godwin has been appointed Vice Chair of the Engineering Committee.</p> <p>He advised Members that the machinery replacement had been discussed and it had been agreed that the replacement programme would remain at 7000 hours or 7 years. He reiterated the importance for the Board to have safe and reliable equipment.</p> <p>In a response to a question from Ald Williams the Chair added that at the next Engineering meeting the asset register will be included for review.</p> <p>Mr Barnes added that Members had discussed the Sage reporting requirements. The LDE advised that there were simple reports already available for machinery. Miss Hewlett added that functionality for the pump stations needed to be sorted.</p> <p>The AO added that the report requirements should be agreed to avoid carrying out abortive work buy an already stretched resource</p> <p>Miss Hewlett offered her resource and support in finalising the reporting requirements and she would liaise with Officers.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • The Board approve allocation of funds for SAGE to assist in the Boards reporting requirements. <p><u>Governance & Probity Committee 25th May 2022</u></p> <p>Cllr Behan explained that this meeting had been held virtually in addition to the meeting schedule to review the final drafts of all the Committees new Terms of Reference in line with the Boards Restructure.</p> <p>Members reviewed and agreed all changes.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • The Governance and Probity Committee Terms of Reference be approved as per appendix G; • The Human Resources Committee Terms of Reference be approved as per appendix H; 	
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	<ul style="list-style-type: none"> • The Treasury Sub Committee Terms of Reference be approved as per appendix I; • The Finance and General Purposes Committee Terms of Reference be approved as per appendix J; and • The Engineering Committee Terms of Reference be approved as per appendix K <p>Cllr Behan added that Members had discussed a request from Ald Williams that all Committee meet at least four times a year. Members were concerned at setting the number of meetings so high as most Committees, it was felt, have sufficient meetings scheduled. If meetings were to be set at four a year, then there would need to be a caveat that allowed for these meetings to be cancelled should there be insufficient business. Members agreed that Committees should meet at least twice a year with additional meetings as necessary.</p> <p>Ald Williams added that he felt there was a lack of synchronicity between Finance and General Purposes Committee Meetings and Engineering Committee meetings and agreed that meetings should be planned but would not go ahead if there was no business to transact.</p> <p>It was resolved that</p> <ul style="list-style-type: none"> • Committee meetings are to be scheduled subject to Committee business needs, with a minimum of two a year 	
3422	<p>Annual Governance and Accountability Return 2020/2021 (AGAR) The AO explained that the AGAR is a statutory return based on the Management Accounts 1st April 2021 – 31st March 2022. The Finance and General Purposes Committee received a reconciliation of the management accounts to the AGAR at their last meeting.</p> <p>The AGAR consists of 6 pages, Pages 1 and 2 are for information. Page 3 is completed by the Internal Auditors. Page four in the Annual Governance Statement which, must be approved before Page 5 – the Accounting Statements which must also be approved. Page 6 is completed by the External Auditor</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • The Internal Audit Report be received and noted as per Appendix L. 	
3423	<p>It was resolved that:</p> <ul style="list-style-type: none"> • The Annual Governance Statement 2021/22 be approved and signed by the Chair and PO as per Appendix L page 4. 	<p><u>Action1FB20220608</u> To be signed by the Chair and PO</p>
3424	<p>It was resolved that:</p> <ul style="list-style-type: none"> • The Annual Accounting Statement for 2021/22 be approved and signed by the Chair as per Appendix L page 5. 	<p><u>Action2FB20220608</u> To be signed by the Chair</p>
3425	<p>Land Drainage Engineers Report The LDE advised Members that there had been three recommendations from a recent Citation health and safety inspection. These were a fault with the fire alarm, the electricity safety certificate needing renewal and an out-of-date COSHH assessment. The LDE was pleased to announce these had all be completed.</p> <p>The LDE informed Members that Elmore Back was close to completion and that he would be happy to take any Members, who were interested, to visit it once finished.</p>	

	<p>In response to a question from Miss Hewlett, the LDE updated Members that the sim cards for Saul Pump Station were in the process of being sorted.</p> <p>Mr Cornock asked if Motion Consultants would be happy to attend a meeting and explain to Members a breakdown of the fees. The LDE advised he would be happy to ask. Ald Williams added he felt it best to learn the lessons from Elmore moving forward rather than revisit the concerns over the consultancy fees.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • The LDE report be noted 	
3426	<p>Civil Engineers Report</p> <p>The CE suggested that a visit to the Avonmouth and Severnside area would be beneficial to Members as there had been a lot of development since the last visit.</p> <p>The Chairman agreed and set a date of the morning of the September Board meeting and further details would be issued in due course.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • The CE report be noted 	<p><u>Action3FB20220608</u></p> <p>The PO/CE arrange Avonmouth and Severnside visit</p>
3427	<p>Tidal Flood Defence – Frampton on Severn</p> <p>Miss Hewlett informed Members of an issue in respect of the western embankment of the Gloucester and Sharpness Canal.</p> <p>Her report explained that the Environment Agency (EA) and Canals River Trust (CRT) are scheduled to undergo regular inspections of the embankment where vegetation and bramble growth which has created a wildlife haven.</p> <p>In December 2019 the Frampton Flood Resilience group including the EA and CRT was tasked with devising an embankment management plan which is still outstanding. The EA have downgraded the embankment to poor as inspection was impossible</p> <p>The severe flood warning 18th February 2022 if realised would have flooded the area impacting the LSIDB.</p> <p>Whilst Members sympathised with Miss Hewlett there were concerns about getting involved in something the Board had no ownership or responsibility for.</p> <p>Cllr Jones observed that if the bank was to give way this would cause a problem to the Bristol area in terms of water supplies and Members felt that this matter of importance should be highlighted.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • The Tidal flood defence condition status at Frampton on Severn report be noted as per appendix M; and • The LDE, Miss Hewlett and Mr North draft a letter to the EA and CRT to be approved by the Chair before issue. This letter will be copied to all relevant bodies. 	
3428	<p>Date of Next meeting</p> <p>Members noted that the next Full Board meeting would be held on 21st September 2022</p>	
	Meeting closed at 16:10 pm	

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

PROCEDURE FOR VOTING ON APPOINTMENTS

Approved 8th June 2022, Minute 3421

- a) In the event of there being a contest for the appointment of Chairman or Vice-Chairman of the Board and provided that the meeting is quorate, a show of hands, which would thereafter ensue, should require the successful candidate to obtain at least 50% of the votes cast at the meeting. If there are more than 2 candidates, the person with the lowest number of votes will be eliminated and the ballot re-run until one candidate achieves more than 50% of the votes cast.
- b) Once the Chairman of the Board has been appointed, nominations will be called for the appointment of a Vice-Chairman to be selected from the different category of members than that from which the Chairman has been drawn. Only if no nominations are made from that category, will nominations be then called for from the other category of members.
- c) The principles set out in (a) above will be applied to the appointment of Committee Chairs, which should take place at the first meeting of the relevant Committee following the Board's Annual Meeting.
- d) Where there are more applicants for places on a Committee than the number of seats available, the person(s) with the lowest number of votes will be eliminated so far as may be appropriate to ensure that the number of remaining candidates is equal to the number of Committee seats available.
- e) In the event of the Board being invited to make an appointment to an outside body, if there are more nominations than places available, voting will be in accordance with the principles set out in (a) above until one candidate obtains at least 50% of the votes cast.
- f) The practice of the PO to seek a prior indication of the names of persons intended to be nominated for appointment as Chairman or Vice-Chairman of the Board be endorsed, without prejudice to the requirement that such persons (together with any other initially undeclared candidate) should be formally proposed and seconded at the relevant meeting. Only candidates who have expressed their willingness to assume the role of Chairman or Vice-Chairman may be considered for appointment.
- g) The practice of the PO in seeking information in advance of the Annual Meeting concerning Board Members Committee preferences be also endorsed.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Treasury Management Policy

Approved by the Board on 8th June 2022, Minute 3421

Introduction

The primary principle governing the Board's investment criteria is the security of the financial institution in which the Board places its funds. Yield/return and liquidity are also key considerations.

1. The Board's funds

Approved Financial Institutions

The Board's principal banker is NatWest.

Cash may be deposited with any of the four main clearing banks (NatWest, Lloyds, Barclays and HSBC).

2. Accountabilities

The Treasury Sub-Committee will determine the amount of cash that is available for deposit with the four main clearing banks.

In addition to the NatWest Direct Reserve account, there will be two or three other deposit accounts.

Cash may be deposited in instant access accounts, fixed term accounts or notice accounts

If deposited in a fixed term account then the maximum fixed term period is six months.

If deposited in a notice account then the maximum notice period is six months.

The Accounts Officer to have flexibility to allocate funds between accounts in order to attract the best return. In particular the Accounts Officer is authorised to move funds between the Bonus Saver and the two Notice Accounts to increase the return of interest received on cash balances having regards to the cash flow requirements of the Board.

3. Funds received from Developers

Under minute No. 2218 at 24 June 2015 Board Meeting, the Board approved the appointment of Smith & Williamson Investment Managers. They manage the fund on a non-discretionary basis.

The Board resolved to invest £500,000 of the funds into a balanced multi asset portfolio. The income from these investments are to be re-invested.

The Treasury Sub Committee has the authority to invest future sums received from Developers. Before investing any future sums received, the Treasury Sub-Committee must take into account the cash flow requirements of the Board.

The Treasury Sub-Committee has the authority to agree into which funds these should be invested following consultation with Smith & Williamson.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Capital Financing and Reserves Policy

Approved by the Board on 8th June 2022, Minute 3421

Introduction

Reserves are an essential part of good financial management. They help the Board cope with unpredictable financial pressures and plan for future spending commitments. The purpose of this Reserves policy is to maintain an adequate level of funds to support the ongoing operations of the Board and to provide a source of internal funds for operational priorities such as rhine and ditch maintenance, pumping station running costs and repair, capital replacement and improvement programmes.

The Reserves policy will complement other governance and financial policies and will support the goals and strategies contained in strategic and operational plans.

Background

The Board is required to set a balanced budget annually, which broadly means that cash raised within the year correlates to the cash expended in that year. However variances to the budget will occur. This may result in surplus funds through unbudgeted income such as Developer Contributions, better values achieved on the sale of assets or additional income from grants, contributions and recharges. Expenditure might be greater than budgeted for example such as lower values achieved on sales of assets, greater maintenance costs than predicted or an increase in pump electricity usage.

There will also be the funding of major (capital) spend. Most purchases, mainly vehicles and plant, are resourced through internal funds which are then replenished through appropriate depreciation charges based upon the life of the assets.

However, there may be instances where monies need to be identified to fund larger capital spend items such as the replacement of pumps or significant flood alleviation and land drainage management schemes. When this occurs forward planning will need to take place in order to ensure that sufficient funds are available at the appropriate times.

Importantly, there is a requirement to manage cash flows to ensure that cash is available when needed.

Types of Reserve

There are two types of Reserves:

- Earmarked Reserves – funds that are set aside to meet known or future predicted future spending.
- Unallocated Reserves – funds that are working balances to manage cash flow and protect annual budgets against unplanned expenditure.

Reserves Held

Earmarked

- **Capital Account**

This reserve consists of the total net value/worth, (assets less liabilities) of the Individual Drainage Boards when they amalgamated in 2005 to become one entity, the Lower Severn (2005) Internal Drainage Board.

- **Developers Fund**

This reserve consists of sums received from Developers. A Developer will pay the Board an agreed sum, up front, for the Board to maintain agreed rhines, ditches and ponds over the lifespan of the Developers project within the Developers specified areas of responsibility.

Annually, an amount will be transferred from this Reserve to the Income and Expenditure Account, to cover the applicable income and maintenance costs in that year. Within the Income and Expenditure Account there will be an income entry showing the transfer of funds. The corresponding expenditure will be shown within the relevant expenditure headings.

The investment portfolio, notwithstanding unexpected events, will be kept at a level which is sufficient to meet this liability. Any surplus will be transferred from the Developers Fund Reserve to the Capital Expenditure Reserve.

- **Capital Expenditure**

This reserve is needed to regularly appropriate from the expected excess income arising annually from the Income and Expenditure Account a sum of such magnitude as to be sufficient to cover the expected cost of the Board's approved capital expenditure which is incorporated into its medium term financial plan. The major element of this reserve will be to cover the expected cost of replacing pumps at pumping stations to meet the 2009 Eel Regulations.

Subsequent to the purchase of an asset, annual depreciation will be applied at its appropriate rate and charged to the Income

and Expenditure Account. The annual depreciation charged will be as follows:

Plant and Machinery; Motor Vehicles; Office Equipment;
Furniture and Fittings; Intangible Assets – Depreciation
25% on the reducing balance

Land - Depreciation not taken

Buildings – Depreciation over 20 years straight line, over
40 years straight line from 1 April 2021

Pumps - Depreciation over 15 years straight line

- **Pension**

This reserve is the liability, of the Board, related to the defined benefit pension scheme. Note it is a negative reserve.

- **Revaluation**

This reserve is the increase in value of land and buildings, from cost, as at 15 January 2015.

Unallocated

- **Accumulated Fund**

This reserve provides protection against unplanned expenditure. Any under spend, at the year end, is transferred to this reserve. Any over spend, at the year end, is met from this reserve.

Review of Reserves

Each reserve will be reviewed, on an annual basis by the Treasury Sub-Committee prior to review by the Board. The Board's review will form part of the annual budget setting process. Part of this review will include considering guidance published by the Association of Drainage Authorities.

Creation / Cessation of a Reserve

An earmarked reserve may be created for a specific purpose if it is agreed by the Board. Likewise the Board may close an earmarked reserve if it is no longer required. Any remaining funds in a Reserve to be closed will be transferred to another reserve.

Level of Reserves Held

The Board has no legal powers to hold reserves other than those for reasonable working capital needs, or for specifically earmarked purposes.

Earmarked Reserves will only be held for genuine and intended purposes and their levels regularly reviewed. Each Earmarked Reserve will be separately identified and enumerated.

If, at the year end, the Accumulated Fund is significantly higher than the annual Special Levies and Agricultural Rates income then an explanation will be provided by the Board. The Board's Financial Regulations state that the general provision,

including a contingency, should be maintained which is equivalent to approximately 30% of the Board's annual expenditure.

Liquidity of Reserves

Reserves will be held jointly in general cash and investment accounts of the Board.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

APPENDIX D

Expenditure Forecast for the Capital Programme - 2021/22 to 2028/29

As at 31 March 2022

		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total 2021/29	
		£	£	£	£	£	£	£		£	
Pump Stations											
	No. of Pumps										
Oldbury	3							2,563,042	905,704	3,468,746	
Marshfield	2			733,102	397,837					1,130,939	
Lapperditch	2			797,997	436,425					1,234,422	
Wicks Green	2					1,269,664	678,982			1,948,646	
Elmore Back	2	467,021	30,000							497,021	
Saul	1	240								240	
Pump Expenditure Total		467,261	30,000	1,531,099	834,262	1,269,664	678,982	2,563,042	905,704	8,280,014	0
Plant and Vehicles											
Water Level Monitoring Equipment			8,000							8,000	
Claas Mower		126,000								126,000	
Class Mower OU07 JXX		-30,000								-30,000	
Kobelco Excavator		127,134								127,134	
Hyundai WX12 CWL		-18,000								-18,000	
Energreen SPV3			240,370							240,370	
Energreen VX65 HVB			-38,000							-38,000	
Kobelco Excavator				160,000						160,000	
Kobelco Excavator WU16 T2M				-15,000						-15,000	
Isuzu Truck				35,000						35,000	
Isuzu Truck WU17 NVD				-5,000						-5,000	
Energreen SPV2					300,000					300,000	
Energreen VX65 HTA					-40,000					-40,000	
Ford Ranger Truck					40,000					40,000	
Isuzu Truck VO62 RPY					-5,000					-5,000	
Loadall/Material Handler							90,000			90,000	
Merlo Loadall WX08 OSY							-1,000			-1,000	
Claas Tractor/Mower									210,000	210,000	
Claas 697 WX14 LGO									-22,000	-22,000	
Hitachi Excavator									220,000	220,000	
Hyundai WX12 CWL									-15,000	-15,000	
JCB Wheeled Excavator									190,000	190,000	
JCB WV19 FUU									-18,000	-18,000	
Plant and Vehicles Expenditure Total		205,134	210,370	175,000	295,000	0	89,000	0	565,000	1,539,504	0
Capital Expenditure Total		672,395	240,370	1,706,099	1,129,262	1,269,664	767,982	2,563,042	1,470,704	9,819,518	

Details of Budget and Expenditure on Pump Stations

			Previous Years										
			Budget	Expenditure	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
			£	£	£	£	£	£	£	£	£		£
Pump Stations													
	No. of Pumps												
Oldbury	3		3,493,429	24,683							2,563,042	905,704	3,493,429
Marshfield	2		1,156,385	25,446			733,102	397,837					1,156,385
Lapperditch	2		1,207,343	33,288			797,997	436,425					1,267,710
Wicks Green	2		1,972,281	23,635					1,269,664	678,982			1,972,281
Elmore Back	2		815,000	402,256	467,021	30,000							899,277
Saul	1		180,000	179,383	240								179,623
Pump Expenditure Total			8,824,438	688,691	467,261	30,000	1,531,099	834,262	1,269,664	678,982	2,563,042	905,704	8,968,705

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Details of Expenditure on Pump Stations in 2021/22

		Spend in current financial year, 2021/22, to 1 March 2022	Spend in current financial year, 2021/22, in March 2022	Total Spend to date	Expected spend in current financial year from 1 April 2022	Revised Total expected spend for the current financial year	Original Total expected spend for the current financial year	Difference between Original and anticipated total spend - positive figure represents an underspend
Pump Stations	No. of Pumps	£	£	£	£	£	£	£
Oldbury	3		0	0		0	0	0
Marshfield	2		0	0		0	0	0
Lapperditch	2		0	0		0	0	0
Wicks Green	2		0	0		0	0	0
Elmore Back	2	405,250	61,771	467,021	0	467,021	329,936	-137,085
Saul	1		240	240		240	0	-240
Total		405,250	62,011	467,261	0	467,261	329,936	-137,325
				0		0		

APPENDIX E

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

BALANCE SHEET AS AT 31 MARCH 2022

	Note	£	31/03/22 £	31/03/21 £	Variance £
FIXED ASSETS					
Fixed Assets	1	1,365,615	1,365,615	843,541	522,074
LONG TERM ASSETS					
Investments		948,555	948,555	938,012	10,543
CURRENT ASSETS					
Stock +WiP		79,952		57,421	22,531
Trade Debtors		362		38,165	-37,803
Drainage Rate Debtors		218		1,513	-1,295
Levy Debtors		0		0	0
VAT Claim		19,491		14,665	4,826
Special Levies - Environment Agency		0		0	0
Prepayments		39,117		38,383	734
Cash at Bank and in hand		386,170		384,209	1,961
Short Term Deposits		409,958		609,710	-199,752
			935,268	1,144,066	-208,798
CURRENT LIABILITIES					
Trade Creditors		-43,914		-41,246	-2,668
Other Creditors		-29,274		-28,372	-902
Accrued Expenses		-18,001		-22,826	4,825
Finance Leases due within one year		0		0	0
Prepaid Rates	2	0		-325	325
Prepaid Levies	2	0		0	0
Prepaid Developers Funds		0		0	0
			-91,189	-92,769	1,580
NET CURRENT ASSETS			844,079	1,051,297	-207,218
TOTAL ASSETS LESS CURRENT LIABILITIES			3,158,249	2,832,850	325,399
LONG TERM LIABILITIES					
Finance Leases		0		0	0
Pension scheme deficit		-708,000		-1,412,000	704,000
			-708,000	-1,412,000	704,000
NET ASSETS			2,450,249	1,420,850	1,029,399
FINANCED BY:					
CAPITAL ACCOUNT			666,569	666,569	0
ACCUMULATED FUND					
Balance brought forward		596,060		546,655	49,405
Surplus for the 12 months		256,853		274,405	-17,552
Transfer to Capital Expenditure Reserve		-250,000		-225,000	-25,000
Additional Transfer to Capital Exp. Res.		0		0	0
Transfer from Capital Expenditure Reserve		490,446		0	490,446
			1,093,359	596,060	497,299
Developers Funds Reserve					
Investments at cost		650,000		650,000	0
Increase in value		298,555		288,012	10,543
Investments at current value		948,555		938,012	10,543
Cash at Bank		111,137		76,319	34,818
			1,059,692	1,014,331	45,361
Capital Expenditure Reserve	3		194,046	411,307	-217,261
Pension Reserve			-708,000	-1,412,000	704,000
Revaluation Reserve			144,583	144,583	0
			2,450,249	1,420,850	1,029,399

Notes

1. Fixed assets include purchases, sales and depreciation for 12 months to 31 March 2022.
 2. In all these cases the balance sheet has been adjusted to reflect receipts
 3. This Reserve is held as cash and increases by £20,833 each month.
- There is a corresponding monthly charge in the income and expenditure account.
As the new pumps are capitalised as a fixed asset, they are depreciated over 15 years.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

INCOME AND EXPENDITURE 12 MONTHS TO 31 MARCH 2022

Income	Note	Actual £	Budget £	Variance £	31 March 2021 £	Variance £
Levies Charged to Authorities	1	1,357,001	1,357,001	0	1,301,042	55,959
Agricultural Rates	1	125,607	125,607	0	120,427	5,180
Rechargeable Works		51,103	17,000	34,103	24,434	26,669
Application Fees		2,050	3,000	-950	5,900	-3,850
Consultancy Fees Recharged		16,800	18,000	-1,200	26,304	-9,504
Surplus on Sale of Assets		31,809	29,258	2,551	19,723	12,086
Miscellaneous Income		0	0	0	300	-300
Foreign Water Grant - EA		170,686	170,686	0	167,339	3,347
Developers Fund Contribution	1	44,982	44,982	0	43,672	1,310
Interest		297	3,000	-2,703	1,360	-1,063
Total		1,800,335	1,768,534	31,801	1,710,501	89,834
Expenditure						
Payroll		762,323	765,822	3,499	727,889	-34,434
Office Maintenance	2	19,501	27,975	8,474	15,595	-3,906
Maintenance	3	215,934	180,150	-35,784	191,481	-24,453
EA Levy		218,171	218,171	0	213,892	-4,279
Motor Travel and Subsistence	4	21,738	23,746	2,008	18,912	-2,826
Communications		5,085	5,250	165	5,551	466
Administration	5	29,241	32,829	3,588	39,350	10,109
Engineering Consultancy Fees		44,779	75,000	30,221	60,740	15,961
Legal and Professional Fees	6	4,738	3,000	-1,738	5,047	309
Audit and Accountancy Fees		5,850	5,000	-850	3,500	-2,350
Depreciation		214,509	211,407	-3,102	151,990	-62,519
Bank Charges		1,613	3,000	1,387	2,149	536
Total		1,543,482	1,551,350	7,868	1,436,096	-107,386
Surplus for 12 months		256,853	217,184	39,669	274,405	-17,552
Transfer to Capital Expenditure Res.		250,000	250,000	0	225,000	25,000
Net Surplus for 12 months		6,853	-32,816	39,669	49,405	-42,552

The results for 12 months show a surplus of £6,853 against a budget of -£32,816 a positive difference of £39,669.

The major reasons for the variances are:-

1) In all these cases the income and expenditure has been included for the 12 months irrespective of when the monies are received or paid. The appropriate adjustments are made on the balance sheet.

2) Office Maintenance -

3) Maintenance costs analysis is as follows:

	Actual	Budget	Variance	Explanation for major variances
	£	£	£	
Plant Maintenance	87,711	68,850	-18,861	Repairs to Spearhead VX65 HVB and Ridding Buckets
Maintenance Compensation	0	1,000	1,000	
Vehicle, Plant	90,257	79,500	-10,757	Insurance and Diesel for hired pumps at Elmore Back
				Increase in cost of Diesel
Workshop Fixtures & Fittings	11,742	6,600	-5,142	
Pump Station Electricity	20,163	17,000	-3,163	
Health & Safety	6,061	7,200	1,139	
	215,934	180,150	-35,784	

4) Administration -

5) Engineering Consultancy fees -

	Actual	Budget	Variance
	£	£	£
Non Rechargeable Fees	32,779	60,000	27,221
Rechargeable Fees	12,000	15,000	3,000
	44,779	75,000	30,221

6) Legal and Professional Fees -

Notes:

Surplus on sale of assets is:	£
Kobelco Excavator WO14 OEY	19,638
Claas Tractor OU7 JXX	17,358
Write off of Elmore Back Building	-5,187
	<u>31,809</u>

Surplus on Rechargeable works is unanticipated works at Avonmouth - £30,500.

Insurance Policies - 2022/23					APPENDIX F		
Insurer	Policy No	Cover	Renewal Date	Incl IPT 2022/23 Premium	Incl IPT 2021/22 Premium	Paid	Increase
Lloyds Syndicate ERS218 (Fenton Insurance Solutions)	50030626	Comprehensive Cover including plant, unspecified non self propelled attached or detached implements exceeding £20,000 and trailers not exceeding £100,000. Any Items are specified . Any authorised licensed driver 25 and over on Drainage Board Business and Social Domestic & Pleasure. £100 Excess accidental damage, fire, theft, windscreen.	01/04/2022	£17,315.20	£16,279.00	Mar-22	£1,036.20
Zurich Municipal	XAO 272027-0033	Material Damage, All Risks, Public/ Products/Pollution Liability £10,000,000, Employers Liability £10,000,000, Fidelity Guarantee £2,000,000, Personal Accident £500,000-£1,000,000. Excess £250 for Malicious Damage, Storm or Flood, escape of water, falling trees or branches. £100 theft, accidental damage. In addition Business interruption Insurance has been taken out to cover any additional costs in the event that the board's premises are not accessible (Fire, flood etc). The cover is £220,000 for the year.	01/04/2022	£6,811.53	£6,911.00	Mar-22	-£99.47
Please Note! We are not insured for: Money, Hirers Liability, Libel & Slander, Legal Expenses & Uninsured loss recovery, Deterioration of Stock, Legal Expenses.							
Allianz Insurance Engineering (Fentons insurance Solutions)	NZ/22726215	Cover includes all pumps and related equipment. An indemnity limit of £250,000 for machinery damage/ breakdown to 12 pumps and machinery. Machinery and Pump Stations inspections in order to comply with Health and Safety Regulations.	01/04/2022	£3,543.46	£3,739.00	Mar-22	-£195.54
Nilefern t/a Nelson Policies at Lloyd's (Erskine Murray)	NP038418/04/21	Cover for Hired in Property. Sum insured £60,000. Excess of £750. Commenced 9 April 2022. The cover in 2022/23 is for a part year only.	01/07/2022	£562.00	£1,740.00	Apr-22	-£1,178.00
Total premiums				£28,232.19	£28,669.00		-£436.81
This Insurance Policy Schedule has been reviewed and is agreed to be sufficient for the Lower Severn (2005) Internal Drainage Boards needs.							
Signed:..... M Riddle (Chairman)			Dated:.....		Minute Number:.....		

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

TERMS OF REFERENCE OF THE GOVERNANCE & PROBITY COMMITTEE

Approved 8th June 2022, Minute 3421

Matters for recommendation by the Committee to the Board

1. Consideration of proposals affecting the structure, size or composition of the Board.
2. Consideration of Nomination, selections and removal of Board Members.
3. Consideration of any proposal to alter the Board's overall corporate governance arrangements and committee structure.
4. Formulation or revision of Standing Orders, Procedural Rules, Financial Regulations and policies.
5. Terms of reference of, and delegations to, committees.
6. Delegations to Officers.
7. Formulation or revision of Codes of Member and Officer Conduct or related Protocols.
8. Formulation or revision of any policy document relating to the Board's policies or practices under Data Protection, Freedom of Information or Anti - Fraud or Bribery legislation and IT Security/E-risks.
9. Formulation or revision of Complaints Procedures.
10. Delegation to the Principal Officer to receive, consider and determine complaints and to submit reports to Members as appropriate.
11. Formulation of any protocols intended to clarify and/or facilitate the efficient administrative operation of the Board or its Committees.
12. To keep under regular review the content and effectiveness of the Board's corporate governance arrangements generally and to make appropriate recommendations to the Board.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

TERMS OF REFERENCE OF THE HUMAN RESOURCES COMMITTEE

Approved 8th June 2022, Minute 3421

Matters for determination by the Committee

1. Staff appraisals
2. Employee and Board Member Training
3. Early Retirement/Redundancy
4. Outsourcing payroll
5. Consideration of employment & pension procedures, policies and handbook
6. Job descriptions and person specifications

Matters for Recommendation by the Committee to the Board

7. Staff structure
8. Terms & Conditions of employment (including remuneration)
9. Early Retirement and Pension Policy
10. Redundancy Policy
11. Human Resources and Health and Safety policies and consultancies.
12. Human Resources and Health and Safety training and reporting.

TERMS OF REFERENCE OF THE TREASURY SUB COMMITTEE

Approved 8th June 2022, Minute 3421

Matters for determination by the Sub Committee.

1. To ensure that the Sub Committee meets at least twice a year.
2. To determine the future investment strategy of the funds held as long term investments, having taken professional advice.
3. To reinvest the income accumulated from the long term investments, having taken professional advice.
4. To invest future contributions received from developers. Having taken professional advice.
5. To undertake portfolio reviews of the investment strategy twice a year.
6. To plan cash management and determine the placing of short term cash surpluses in deposit accounts on an annual basis.

Matters for recommendation by the Sub Committee to the Finance and General Purposes Committee

7. To review the Treasury Management Policy annually.
8. To review the Capital Financing and Reserves Policy annually.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

TERMS OF REFERENCE OF FINANCE AND GENERAL PURPOSES COMMITTEE

Approved 8th June 2022, Minute 3421

Matters for determination by the Committee.

1. The appointment of Internal Auditors.
2. Consideration of any Report or Opinion from the Internal Auditors.
3. Consideration of a summary of internal audit work undertaken (whether of a financial or ethical nature).
4. Commissioning work from either the Internal or External Auditor.
5. The approval/revision of the Risk Register.
6. The approval/revision of the Business Continuity Plan.
7. Reviewing payments made.
8. The recovery of rate arrears and sundry debts.
9. To monitor spending against the approved budget.
10. To monitor the stewardship of the Gloucestershire Pension Fund and the resultant impact on the Board's finances.
11. To regularly evaluate the costs of the Board's defined contribution pension scheme.

Matters for recommendation by the Committee to the Board

13. To agree and monitor the Capital Programme and the resultant spending with regular reports to the Board on the consequential financial sustainability of its finances. To consider the Annual Budget and Rate Setting prior to the February Board meeting in each year.
14. To prepare and regularly review the Annual Operational Plan, with its necessary performance attainments to support the Boards Strategic Plan.
15. To review the Medium Term Financial Plan
16. To monitor the Boards Treasury Management policies and practices.
17. To keep under review the Board's insurance policies.

18. To liaise with the Smaller Authorities Audit Appointments Ltd or any successor or equivalent, regarding the appointment of the External Auditor.
19. To consider any letter or report issued by the External Auditor.
20. To refresh annually the Board's strategic plan, together with the preparation and regular review of an annual operational plan, with its necessary performance attainments, to support the Board's strategic plan.

NB In each calendar year the matter should be considered by the first meetings of the F&GP Committee and the Board for implementation from the ensuing April 1, being the commencement of the new financial year. It is envisaged that the annual operating plan would have space within it for the reporting of performance attainments which would be evaluated by the F&GP Committee at regular intervals throughout the year.

21. To review annually the Board's asset register detail, with the associated appropriate action taken, to ensure that its assets are being utilised in a cost effective manner.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

TERMS OF REFERENCE OF THE ENGINEERING COMMITTEE

Approved 8th June 2022, Minute 3421

MATTERS FOR DETERMINATION BY THE COMMITTEE

1. Small engineering schemes or works up to £30,000.
2. Machinery replacement in accordance with the pre-approved programme.
3. The adoption or declassification of watercourses in the context of an approved policy framework and the regimes of other statutory authorities in this regard.
4. To assess, agree and monitor works for the Capital Programme.
5. To review and comment on the Asset Register as a standing item on the Agenda.

MATTERS FOR RECOMMENDATION BY THE COMMITTEE TO THE BOARD

6. To review the Board's rhine maintenance priorities.
7. To review future maintenance liabilities of assets e.g. Environment Agency, outfalls and main river
8. To review Avonmouth and Severnside developments commuted sums, infrastructure charges and modelling.
9. To review pumping station maintenance and repair.

Signed:..... (Chairman)

Minute 3002
05 February 2020

9 Tidal flood defence condition status at Frampton on Severn

The western embankment of the Gloucester & Sharpness Canal at Frampton on Severn was built to keep water in the canal. In 1993, Frampton's old sea wall was officially abandoned and the embankment became the village's *de facto* tidal flood defence. At that time, no written agreement was made detailing its management as a tidal flood defence.

Frampton on Severn Parish Council (FOSPC) and others periodically pressed for a written agreement. This became a contentious issue and eventually, in January 2012, brief 'letters of understanding' were exchanged between the EA and British Waterways Board (BWB). With little detail about management, they nevertheless marked the first public recognition by BWB of the status of the embankment. Later that year, Canal & River Trust (CRT) confirmed that it had taken over BWB's responsibilities.

The embankment is scheduled to undergo regular inspections by both the EA and CRT to understand its condition and take any necessary action to maintain it. However, this has proved increasingly difficult as vegetation/brambles grow mostly unchecked, and the shavings and cordwood from pollarded withies also mask the surface. It is currently a wildlife haven, including for burrowing species, periodically washed by the highest tides, and at almost 200 years old, it inevitably slumps in places.

The LSIDB attends Frampton Flood Resilience, a group convened by Gloucestershire County Council (GCC) which also includes the EA and CRT. CRT was tasked with devising an embankment management plan by December 2019, but this is still awaited. The EA have downgraded the embankment condition to 'Poor': anecdotally this is understood to be because proper inspections have become impossible.

The severe flood warning issued by the EA during the high tide of 18 February 2022 included potential flooding to properties landward of the canal: for this to have been possible, the embankment would have to have been either overtopped or destabilised. Had it happened, the flooding would have impacted the LSIDB's area. The LSIDB intends to issue a joint letter of concern regarding the condition of the embankment to the EA and CRT, and will be copying this to GCC, Stroud District Council and FOSPC.

This letter will support a report made by the local flood risk action group, Advance the Line, dated 17 May 2022. LSIDB will request that a legally-binding agreement be enacted between the EA and CRT that confirms the embankment as a tidal flood defence structure and states the relevant engineering standards and maintenance regimes to ensure that regular and proper inspections can be undertaken to assess its condition.

The LSIDB currently maintains the drainage ditch on the seaward side of the embankment on behalf of CRT, and would expect to be formally involved in discussions about how that is managed going forward. This ditch currently conveys a substantial proportion of Frampton's surface water to the sea. Concerns that this may prove difficult to achieve in the medium term due to erosion and increasing inundation of the warth have already been shared with LSIDB Members. In an effort to seek an alternative solution for the discharge of this surface water, funding of £5,000 towards hydraulic modelling was approved on 3 February 2021 under minute 3173. The results of the GCC- and LSIDB-commissioned study are awaited.

Rose Hewlett and James Druett

8 June 2022