

NORTH LEVEL DISTRICT INTERNAL DRAINAGE BOARD
MINUTES OF GOVERNANCE AND AUDIT COMMITTEE MEETING
18th June 2019

Present: J. W. J. Sly (Chairman)
J. A. Clarke
Cllr C. J. T. H. Brewis
Cllr J. Holdich OBE
Cllr Mrs K. Mayor
A. J. Wadsley

In Attendance:	P. D. Sharman	Chief Executive
	S. Drew	Finance Officer
	S. Smith	Secretary
	C. Blose	LGSS Employer Services and Systems Manager (from 10.30 a.m.)

1 APOLOGIES

N. J. Harris, J. Stubley - Operations Engineer.

2 MINUTES OF LAST MEETING

The Minutes of the Meeting held on the 8th January 2019, copies of which having been circulated with the Agenda, be taken as read and being a correct record of the business of such meeting.

3 MATTERS ARISING OUT OF THE MINUTES

Item 5 – Review of the Board's Strategy Plan 2019-2024

J. Clarke referred to the recent flooding incident at Wainfleet and the possibility of its cause and asked how much the Environment Agency (EA) had spent on defences against badgers and requested that the Chief Executive write to ADA and the local MP to maximise the opportunity to raise awareness.

The Chief Executive responded that the EA do have authorisation to dig out and remove badgers, in order to repair flood defences, in exceptional circumstances only, and in compliance with current legislation.

The Chief Executive agreed that he would speak to ADA as requested.

Item 7 – Review Policies

J. Clark commented that he was pleased that the Board had secured HR advice and asked how this could be accessed by staff.

The Chief Executive explained that the HR provider had been introduced to the workforce and could be accessed by the workforce by way of their usual line manager arrangements and advice is available to all staff.

There were no other matters arising.

4 TO CONSIDER THE FOLLOWING NEW POLICY

(a) Lone Working Policy

- (a) Lone Working Policy: The Chief Executive explained that this policy had arisen as a result of Health and Safety measures and had been implemented over the last 12 months.

C. Brewis commented that the policy is necessary due to the operative's potentially dangerous occupation and would help keep the workforce safe.

The Chief Executive explained that operatives contact a designated manager three times per day, morning, noon and evening or depending on signal, when they arrive home at the end of the day.

In answer to a question from J. Clarke, the Chief Executive responded that tracking of plant is not constant and could not be used to support lone working.

It was agreed that the Policy be accepted and be reviewed in June 2024. Members of the Committee agreed that should the details be subject to change the Policy should be considered by them prior to its review in 2024.

Following the discussion it was

Agreed that the Board be **RECOMMENDED** to:

- (a) Approve and accept the Lone Working Policy, to be reviewed in June 2024.

5 TO REVIEW THE FOLLOWING POLICIES

- (a) Absence and Sickness Policy
- (b) Emergency Flood Response Plan
- (c) LGPS Pension and Discretions Policy
- (d) Financial Regulations
- (e) Healthy and Safety Policy
- (f) Pay Policy
- (g) Risk Register
- (h) Scheme of Delegation
- (i) Succession Planning Policy and Business Continuity Plan
- (j) Sustainable Urban Drainage Systems (SUDS) Adoption Policy

As part of the review of the above policies the Committee considered the review dates and amended them as they considered reasonable and in line with any statutory deadlines.

- (a) Absence and Sickness Policy: This Policy has been subject to changes made by the new HR Advisor, the changes are highlighted in red.
- (b) Emergency Flood Response Plan: This Policy has been subject to some minor changes, being names and contact details. A new contact list is awaited from the EA.
- (c) Employers Pension Discretions Policy: This Policy has been subject to significant changes, driven by Government regulations to ensure the Board is now compliant with legislation.

- (d) Financial Regulations: This Policy has been subject to some minor changes, in line with the Corporate Procurement Policy.
- (e) Health and Safety Policy: This Policy has been subject to some minor changes, with the Vice-Chairman now attending and being Chairman of the Boards Health and Safety meetings. The Committee agreed that it will be reviewed annually in line with statutory requirements.
- (f) Pay Policy: This Policy has been subject to minor changes, in consultation with the workforce, the bonus scheme has been reviewed, resulting in their bonus payments being incorporated into their hourly rates.
- (g) Risk Register: The Chief Executive explained that any changes had been highlighted in red. He explained that the Clerks Group had received training to simplify the Risk Register. The Board's Internal Auditor, Moore Stephens, have been asked to look at the Risk Register as part of their work for 2019/20.
- (h) Scheme of Delegation: This Policy has been subject to minor changes in line with the Financial Regulations and Corporate Procurement Policy.

The Chief Executive explained that the Board will get 3 quotes for goods and services where possible to ensure value for money. He explained that Fenflow (formerly Shoebridge) had caused concerns with higher than expected quotes for pump works but had since provided more sensible quotes and are a preferred provider due to their location being local to the Boards pumping stations.

- (i) Succession Planning Policy and Business Continuity Plan: This Policy has been subject to minor changes and agreed the appointment of the Boards Chairman, to be appointed for a three year term in line with the Board Elections on a three yearly basis as per the Policy. The Committee agreed the changes and that this Policy will be reviewed on a five yearly basis.
- (j) Sustainable Urban Drainage Systems (SUDS) Adoption Policy: This Policy remains.

The following Policies were reviewed, amended and accepted by the Governance and Audit Committee:

- (a) Approve and accept the Absence and Sickness Policy, to be reviewed in June 2024;
- (b) Approve and accept the Emergency Flood Response Plan, to be reviewed in June 2022;
- (c) Approve and accept the LGPS Pension and Discretions Policy, to be reviewed in June 2024;
- (d) Approve and accept the Financial Regulations, to be reviewed in June 2024;
- (e) Approve and accept the Health and Safety Policy, to be reviewed in June 2020;
- (f) Approve and accept the Pay Policy, to be reviewed in June 2024;
- (g) Approve and accept the Risk Register, to be reviewed in June 2020;
- (h) Approve and accept the Scheme of Delegation, to be reviewed in June 2024;
- (i) Approve and accept the Succession Planning Policy and Business Continuity Plan, to be reviewed in June 2024;
- (j) Approve and accept the Sustainable Urban Drainage Systems (SUDS) Adoption Policy, to be reviewed in June 2024.

6 TO CONSIDER THE ANNUAL INTERNAL AUDIT REPORT

The Chairman reminded the Committee that they were required to consider the Annual Internal Audit Report as requested by the Board, at its meeting of 29th May 2019 in more detail.

J. Sly commented that Moore Stephens had done a 'good job and it is a good report'.

J. Clarke commented that the report was 'concise and easy to read'.

The Chief Executive advised the Committee that Moore Stephens were impressed with our policies and he was pleased with the service received from them in return.

7 MEETING DATES

The Chief Executive explained the legislation and advised the Committee that the annual June meeting had been reinstated to consider the Boards Accounts prior to the Annual Return.

It was requested by J. Clarke that View Days should only be as and when required.

The Committee discussed possible dates of 2nd or 9th June 2020 and could not reach a consensus and agreed that they would discuss the date at their next meeting, agreed as 7th January 2020.

The Finance Officer advised that an extension may be required and this would need to be applied for and she would check the date for this, possibly December or January 2020.

8 ANY OTHER BUSINESS

There was no other business for consideration.

9 LGSS PENSION SERVICE

The Chairman introduced Mr Cory Blose, the Employer Services and Systems Manager for LGSS Pensions Service, who was in attendance to provide information regarding the basics of the Pension Scheme and the funding implications should the Board decide to leave the current scheme.

C. Blose thanked the Committee for inviting him and began by explaining the different Pension schemes, defined Benefit Scheme, regulations, years of salary/service, amount invested and employer contributions required to '*plug the gap*'.

He advised that the Board contributes to a secure and generous scheme. This versus the Nest Scheme which is 6-9% contribution and provides less benefits to its Members. He explained that looking at market conditions from Sunday 16th June 2019, based on current membership, yields from Government Gilts is low.

Were the Board to leave the LGSS scheme now the pension debt would be approximately £2.8million, but only if the Board chose to leave the scheme.

C. Blose explained that the Board is part of a 'Designated Bodies Pool' with members being similar employers, a consultation is taking place which will consider dismantling this 'pool'. The £2.8million deficit could change as a result and the share for the Board could be lower.

The Chief Executive asked if the deficit for the Board could be isolated and is it going to be separated from the 'pool'.

In answer to a question from Cllr K. Mayor, C. Blose confirmed that there are 30 employers in the 'pool', comprised of Parish and Town Councils and Drainage Boards.

J. Clarke asked where we stand with the £2.8million deficit, with current and post subsidies included. C. Blose responded that there are 80+ years of liability covered and it is expected that in 9 to 12 years Gilt levels will revert and bring the deficit down. Pooling is made up of employers with similar responsibilities and demographics and due to bigger disparities becoming apparent, this is the reason for disbanding the pool.

The scheme is re-evaluated every three years by the LGPS Actuary and they base their actions on predictions, and they will carry out interim valuations if required, this is soon to become every four years. The scheme is currently 83% funded, if the Board stays in the scheme equates to 93% funded, realising a £434K deficit for the Board.

In answer to a question from J. Clarke, C. Blose responded that should the Board decide to leave the scheme a one off payment of approximately £2.8million would be expected.

J. Clarke asked if the Board could have their own fund and not be part of a 'pool' enabling them to manage their own destiny in the fund and what would be the next step. C. Blose advised that a consultation paper would be available in the next two weeks, providing assets invested and funding levels. Following feedback received, a decision would be available based on the outcome by October 2019. The Committee agreed that they would await the consultation paper and would convene an extra Governance and Audit Committee meeting before August 2019 to consider and respond to the consultation.

The Committee thanked C. Blose for the information and for his attendance.

.....
Chairman

7th January 2020

.....
Date