Special Meeting of the Warboys, Somersham and Pidley Internal Drainage Board

Held at the Middle Level Offices at 7.30pm on Monday 24th February

PRESENT

D Brown (Chairman)	J Armstrong	D Cornwell
S Edgley	D Edwards	D England
M England	D Fabb	J German
I Johnson	S Johnson	Ms C Lowe
T Noble (Vice Chairman)	J Short	H Whittome
S Whittome		

Andrew Wool, MLC Head of Finance and Ruth Martin, MLC Lead Clerk were also in attendance.

Apologies were received from J Carney, M Heading and Miss L Munns

The Chairman welcomed everyone and thanked everyone for attending.

He opened the meeting by advising that at the Board meeting in November the Board did not make a decision on the issue of the purchase of a new digger. Ten days ago a meeting was held at his house by with 12 Board members to discuss the digger. Most members were keen to invest.

The Chairman advised that he and the District Officer, Alwyn Sweeney, have visited a dealer in Shrewsbury to look at some used machinery. They viewed a JCB 145 with 2700 hours on but when tested the Boards flail attached to the machine but did not operate correctly. They also looked at a Komatsu 148 with 1100 hours but a 2024 model. This had a 245l/min pump and so would run the flail with no problems. Both machines need float tyres and rims plus height limiters. Prices for these vary - £1500 to £4500 for the rims, £6-7,000 for the tyres.

He reported that new machines were also discussed and the issue of types of cab and the protection they offer discussed. Some cabs only offer protection if the machine rolls onto its side and does not protect if the machine rolls over. He explained that the difference is not obvious from viewing the cab but there are markings inside. When carrying out ditch works it is possible that the machine may roll onto the cab.

He added that new digger prices are very difficult to get. The JCB machine has the same pump as the Komatsu. They have talked about hydro digger plus heavier weight with longer gib but this may not be fit for purpose.

The price for an Atlas machine is around £160k with single pump. This is the only price we have at present.

Libra won't give a price until a budget is set. The Chairman attended the Doe show recently and viewed some second-hand diggers. He spent 45 minutes with Hyundai but they are now not answering his calls.

Dan Fabb advised of a 15 tonne Volvo running on bio oil that has a single pump. The valve work has been fitted by Volvo and gives priority to the flail. It has a 5-year 6000-hour warranty and costs around £165k but this can be negotiated depending on the fittings specified. It has the specification they need although options cost more money. The warranty is a must have, initially 2 years or 2000 hours.

The Chairman surmised that a new machine is going to cost the Board around £165k, but the Board also need to consider how they will finance the purchase.

Andrew Wool reported on the Public Works Loan figures. A £160,000 loan over 10 years would cost £20,002. This would require an increase of 2.4p on the rate to repay. He advised that the repayment term could be longer or shorter if required.

He advised, as the Boards Responsible Finance Officer, that the Development Fund should not be used to purchase capital equipment. However, the fund could be loaned from as an alternative to a Public Works Loan. The fund currently has £370k available.

He reminded the Board that developers pay contributions to the Board to fund maintenance of the areas affected by their development and that those funds should only be used on the appropriate district stetches.

Hugh Whittome added that Robert Hill, the former MLC Treasurer, was always very keen that developer money should be spent where it had come from. If they were to loan from the fund it would effectively cost the Board nothing.

Andrew Wool added that you could say that 20% of the district benefits from a contribution, so could use a proportion of the Developer Fund adjusted. Hugh Whittome agreed, with the remainder of the balance loaned from the Fund with a resolution to pay the funds back.

Dan Fabb agreed, adding that it would make more sense for the Board to borrow from themselves.

Andrew Wool advised the Board that they have £997k of funds in the Boards accounts but advised that no electricity bills have been paid for the last 4 months due a billing error that is being resolved. They have £770k on a Treasury Deposit account which is earning about 2% interest. Loan interest costs are currently 5.26% but this fluctuates daily.

Discussions returned to the machine itself. It was established that none of the dealers would offer any significant discounts. Delivery times for a new machine are around 11 weeks from order. JCB would discount by a few thousand pounds, but these offers tend to be on less common machines. Hugh Whittome advised against purchase a bespoke machine, having experienced the problems and costs that these tend to bring.

The Chairman said that he would like to support JCB as the brand is made in England, and he feels it is important to support British manufacturing, but he thinks that JCB is too much of a gamble.

Dan Fabb added that he thinks there are other competitive prices to be had, but it is difficult to get them.

David Cornwell returned to the issue of the type of cab. He felt that as a responsible employer the Board should only be considering a cab that offers full roll over protection. He also thought it would be good to see more competition between plant providers but asked how long the Board should wait before making a decision. Hugh Whittome suggested that the Board could make a decision in principle and then spend a few months getting prices.

It was asked how much it would cost to keep the old machine going. The Board were advised that there are several maintenance issues that need addressing with the old machine. The Board have owned the machine for around 16 or 17 years and it was a used machine when they purchased it. David Cornwell thought that keeping the machine would be good but it would show the Board's District Officer that they value him as an employee and a new machine would do that, by giving him the best tools to carry out his work.

Andrew Wool advised that around £4,000 has been spent on the current digger so far in this financial year. There was some discussion around the number of breakdowns this year and how these cause downtime, but it was agreed that these have been minimal so far.

Stephen Whittome asked what other expenses have been budgeted for this year. It was noted that a budget of £14,000 was in place for a replacement slacker at Puddock Bridge, but no pump replacements have been included for this year. Andrew Wool advised that although the exact figures for the outstanding electricity costs have not been received so far, the comparison against figures at St Germans seems to have applied to all Boards, with pumping costs being lower than forecast. This Board had budgeted £147k for the year for fuel costs, with expenditure at the end of September being £38k. He felt that it would be unlikely that the remaining budget of £109k would be spent in full. Dan Brown noted that changes to pumping regimes has helped to bring costs down.

Ian Johnson said he thought that purchasing a new digger would cost too much money. He thinks that the Board could purchase a cheaper tracked machine and use the savings to keep the machine the Board already has going. Some discussions followed, with the issue of being able to move a tracked digger and the potential need to hire in a low loader being raised, and that the existing machine is at risk of overturning when flailing due to the more limited boom extension capability. In addition the current machine will need more significant repairs in the coming seasons, and the person that previously repaired the machine has now retired and the Board will need to source someone new to maintain the machine. However, the current machine does have a ROTS cab and would offer the operative full protection in the event of the machine rolling.

Dan Fabb explained that a new machine would be less likely to roll as the boom has a 3 stage rather than two stage extension, and that this gives better weight transference and therefore more stability on the bankside. He also added that if they continue to run the old machine the hydraulic oil will need to be replaced with bio-oil. The current machine could not work on EA drains as their policy is all machines must use bio-oil. The chances of a burst pipe are slim but if this were to occur with the current machine it could cause the Board some pollution issues.

Hugh Whittome proposed that the Board consider passing a resolution to purchase a new digger and to fund the purchase through the Development Fund. The value that could be funded directly from the account would need to reflect the development contributions made that would be eligible for use and this would need to be calculated by Andrew Wool. He proposed that the purchase balance then be loaded from the Development Account, and paid back over a period of 10 years. He suggested that at least 3 quotations be obtained for the new machine, and that a budget of £160 - £170,000 be set.

The loan repayment period was discussed further, with in being suggested that a new machine should be operational for at least 20 years, and whether a longer repayment period should be considered. The issue of paying interest was also further discussed, with Andrew Wool advising that interest should be paid, and that at present the interest being earned by the funds is about 2%.

The Chairman agreed that this was a difficult decision for the Board to make, but that they need a machine that will do the job they want it to. Although this is a large expenditure, the Board will have a saleable item. He has spoken to the District Officer about his future and has no concerns, but that there also needs to be a balance between ensuring his happiness and good business sense. All members of the Board agreed that the District Officer maintained a good standard of working.

The Chairman returned to Hugh Whittome's proposal and moved to a vote. The proposal was confirmed to:

- Purchase a new digger.
- Fund the purchase through the development account, the amount to be calculated as a percentage of the development contributions that are applicable, to be advised by Andrew Wool.
- To fund the remainder of the purchase by borrowing from the Development Account over a ten-year period with repayment to the fund to include interest.
- To obtain at least 3 quotes for a new machine, which is to use bio-oil.
- For the maximum expenditure to be capped at £170,000.

Thirteen members voted in favour of the proposal and the resolution carried.

Hugh Whittome thanked all who had worked on this to date.

The Chairman then advised that he and the District Officer are planning to visit South Holland IDB with the flail so they can try it on their Volvo and invited any interested parties to join him in this and any other visit.

It was agreed that a group made up of the Chairman, Hugh Whittome, Dan Fabb, David Cornwall, James German and Lucy Munns would pursue the quotations, and the Chairman would keep all Board members updated with progress via the Board's WhatsApp group. Hugh Whittome suggested that the District Officer should also be involved in the final selection.

Andrew Wool asked the Board to make a resolution that they would delegate the final decision to purchase a machine to the group of Board members listed, provided that the purchase met all of the criteria already agreed upon. The Board agreed unanimously to this proposal.

A final discussion regarding the Development Fund ensued. As the machine would work all over the District, it was asked why it was necessary to proportion the money as discussed.

Andrew Wool further explained that the funds were provided for specific parts of the district and not the whole district. For example if a development drained through Puddock Pumping Station, the development contributions could not be used to fund a new pump at Westmoor Pumping Station as the development has no affect on that catchment. He added that the Development Fund has accrued over a long period of time and would probably cover most of the district. Hugh Whittome suggested considering putting a limit on how much funding could be taken from the Development Fund that would not be subject to loan repayments, but Stephen Whittome disagreed, adding that he thought they should take the maximum benefit from the Development Fund.

James German gave apologies and left the meeting at this point.

Andrew Wool agreed to carry out the calculations and send the figures to the Chairman, who would then share them with the Board. This would allow a more informed decision to be made at the next Board meeting. As the next meeting is also a rate setting meeting, the repayment rates could also be agreed then.

The meeting closed at 8.15pm.