

Lower Severn IDB

MISSION STATEMENT

We provide land drainage, flood risk management and surface water management to achieve safe, prosperous communities that enjoy the amenity and biodiversity benefits of the water environment.

Minutes of the Extraordinary Board Meeting

Held on Wednesday 14th January 2026 @ 10.00am

Lower Severn IDB Offices/Hybrid

Item/ Minute Reference	
1. 3670	<p>Apologies/Welcome/Introduction</p> <p>Present: Mike Barnes (Chair), Christine Carter, James Thomas, Jim Druett, John Hore, Glenn Taute, John Cornock, Charles Daniell, Jimmy Nichols, Geoff Simms, Liz Harvey, Luke Harries and Roger Godwin.</p> <p>Apologies: Simon Phelps, Simon Johnson, Robert Hyslop and Rachael Chamberlayne</p>
2. 3671	<p>Declaration of Members' Interests</p> <p>RG declared an interest due to land at Wicks Green.</p>
3. 3672	<p>Review of Programme Board, and request for the approval of the reviewed Programme Budget, and the Application for an additional PWLB Loan</p> <p>a. Programme update report</p> <p>b. Programme summary finances</p> <p>Geoff Simms, Chair of the Programme Board, provided an update on recent progress and issues following the Christmas period. There have been several operational issues, primarily relating to over-pumping, which required significant effort to keep the site operational. Disappointment with these issues was expressed.</p> <p>On Monday, Geoff and James met on site with Jackson's for an open and constructive discussion. Jackson's acknowledged the concerns raised, and GS is preparing a short report for members outlining the issues, their impact on the programme, and proposed resolutions. Personnel changes have been made by Jackson's, with Scott now appointed as overall project supervisor, supported by his team. Additional measures include a safety audit and the appointment of a communications lead.</p>

Clearer communication lines and tighter site access controls have been agreed, with James Thomas acting as the single point of contact. A provisional programme for the next month has been developed, focusing on civil works, particularly at Lapperditch, and will be formalised shortly. All pumps have now been delivered and stored, and the new 12-inch portable pump has performed very well.

Geoff clarified that he would not comment on individual or internal personnel matters at Jacksons. He confirmed that Jacksons have acknowledged problems, taken action to address them, and discussed these changes openly with the Programme Board. Some details remain confidential, but he expressed confidence that the steps taken are positive and will help refocus the programme.

In response to questions about the pumping stations, GS explained the role of the Responsible Engineer. He noted that this is a defined contractual role focused on providing an independent view, ensuring fairness between the Drainage Board and the contractor, and advising on compensation events and costs. It is not a site project management role, nor is it intended to oversee day-to-day site activity.

Board members raised concerns that Board members and officers have had to spend excessive time on site over recent weeks to resolve issues that should not have required their direct involvement. This situation was described as unacceptable and it was confirmed it will be addressed in GS's report. While acknowledging that some actions taken went beyond normal responsibilities, GS explained that he acted to ensure safety and operational continuity, with appropriate written authority in place.

Overall, GS reported improved confidence following the meeting, with clearer expectations set and better organisational control in place going forward.

GS agreed that there should be no routine need for Board members or officers to be regularly on site, and confirmed this concern was raised during the meeting with Jacksons. While occasional site visits may occur due to personal ownership and interest in the project, this should not extend to carrying out on-site work.

The discussion then moved to finance. Questions were raised about why additional funding appeared to be required, given that a government Public Works Loan had already been approved and substantial grant funding secured. GS clarified that in September 2023 the Board had already approved an application for up to £6 million, which fully covers the current financial requirements, including the amount now being discussed. GS reiterated his disapproval of having or using a contingency fund.

GS stated that they are continuing to seek funding opportunities. The project funding log is now maintained as a live document with the latest budget variances are displayed at the top. Previously reviewed items are clearly indicated at the bottom and that it provides a transparent audit trail of expenditure.

- Continued efforts to secure external funding have been successful and LSIDB recently secured an additional £233,000 from the Defra/EA IDB grant fund.

- Existing funding position:
 - Public Works / Government loan previously approved (minute 3550 of 20/09/2023)
 - Approximately £5.5 million in grant funding already received.

Clarification on total funding:

- Application for up to £6 million approved in September 2023.
- Current budget and project requirements are fully covered by this amount.
- No additional funding beyond the board approved £6 million is being requested. A PWLB loan for £2m was drawn down in December 2024. And this meeting is requesting that a further £2m loan be applied for within the approved Loan maximum possibility of £6m.

Revised budget position:

- The current discussion is a clarification and alignment exercise, not a request for extra funds.
- It was agreed that this clarification will be clearly recorded in the minutes.
- Any apparent increase is covered within that original approval, and this should be clearly stated in the minutes to avoid misunderstanding.

Decision to bring forward Oldbury; puts short term increase in spend but definite long-term benefits, especially looking at building costs rising at around 10% per year. GS stated that a year is worth around £200,000 and risk is increased by delaying the project as prices are likely to continue to rise.

The Board is requested to vote for the approval of: -

- **The revised programme budget at £10.5m** (previously £9.91m)
- **An application for an additional PWLB loan of £2m to fund the completion of the programme**

Liam Harries asked:

- 1. With the project timelines being brought forward, does the team have the capacity to adequately oversee and manage this project alongside other ongoing projects?**
- 2. Could bringing the timelines forward increase pressure to spend funds more quickly, and would this affect the ability to secure or spend future funding within the required deadlines?**

GS answered that team capacity had been carefully considered. The survey phase had been deliberately adjusted by three weeks to ensure the work could be managed properly without rushing. By March–April, the Lapperditch and Marshfield projects are expected to be completed, so resourcing is not anticipated to be an issue. There is currently a minor bottleneck as Marshfield enters its finishing design

phase while Lapperditch is concluding, but this is being effectively managed and will ease over time.

Regarding funding timelines, GS confirmed that only funding that can be realistically spent on specific items within the required deadlines is being applied for. Bringing forward the project timeline does put some pressure on cash flow, but all work that can be completed by the end of the funding period to March 2026 has been identified. Additional funding would only be accepted if it can be clearly allocated for expenditure within the allowed timeframe. GS noted that under the previous programme, delays would have occurred due to overlapping design phases, but this has now been accounted for and managed.

Liz Harvey asked the following questions (summarised for brevity below):

Q: When did the Board decided to combine Lapperditch, Marshfield, Wicks Green and Oldbury together?

GS responded that The Board’s original decision was to run the projects as a full programme at Lapperditch, Marshfield, followed by Oldbury and Wicks Green from the outset. The change that occurred later was the order of the projects, which was revised last year. The adjustment was made because Lapperditch, Marshfield, and Wicks Green are geographically close, and the hub facility at Lapperditch enabled a more efficient programme sequence, placing Oldbury last.

Q: How have the projects progressed to date?

GS: Design phases for both Lapperditch and Marshfield have been completed. Lapperditch is in construction, Marshfield is about to enter construction, and preparatory work (surveys, etc.) is underway for Wicks Green and Oldbury. Wicks Green was always expected to be the most challenging, but recent “bumps” have been beneficial, particularly with grant funding, including the £233,000 received just before Christmas, which has affected budget presentation.

Q: How does the programme budget and funding look?

GT: A five-year financial overview shows rates and levies have been kept at a manageable level (4 - 5% per year), down from over 10% in previous years, thanks to grant funding and borrowing from the Public Works Board.

- Cash reserves are maintained at around £750,000–£1,000,000 plus for emergencies.
- The proposed new budget is £10.5million, with spend to date of approximately £3 million.

Funding sources include:

- £5.5 million in grants,
- £2 million loan already taken, invested to yield 4 -5%,
- £1.0 million cash investment from earlier years.

- An additional £2 million loan application is requested, though it is anticipated that only £1.5 million will be drawn down initially with the balance towards the end of the programme. The drawdown can occur as required, with no cost incurred until funds are actually drawn. The loan remains available for one year; any unused funds expire after that period.

Q: How does this affect rates and repayment?

GT: Rates are projected to stabilise at inflation levels (3.5 - 4%) after 2031. Loan repayments, interest, and depreciation from new investments are accommodated within the budget, maintaining a balanced financial position for the programme.

Q: How is contingency being managed for the programme, and how confident can the Board be regarding cost variances?

GS explained that suppliers naturally manage risk and typically include a premium for contingencies, particularly on projects extending over a year. However, the Programme Board's approach is to keep costs as tight as possible, rather than automatically adding contingency. This allows the Board to remain involved in financial decisions and understand variances, rather than relying on pre-set contingency funds. GS noted that adding contingency could simplify management but would reduce the Board's oversight and opportunity to participate in key decisions. He also highlighted that the appropriate level of contingency is ultimately a Board decision, and that in many high-value projects, contingencies are not always managed as strictly as might be expected.

Q: When will funds be required?

The additional loan is likely to be needed by September of this year. The application process to the Public Works Board takes approximately two months for approval, but the actual cash drawdown can be completed within days once approved.

Glenn Taute, CEO, lead the Board through the finances, summarised below:

Programme Costs and Budget:

- The total proposed budget for the programme is £10.5 million, reflecting final contractor quotes for Wicks Green and Oldbury, which account for most of the cost increase.
- Spend to date is approximately £3 million, just under a third of the total planned expenditure.

Rates and Levies:

- Rates have been maintained at a fair and manageable level of 4 -5% per year, down from over 10% in previous years.
- From 2031 onwards, rates are projected to reduce to inflation levels of 3.5 - 4%, allowing repayment of loans, interest, and depreciation from new investments while keeping costs reasonable for ratepayers.

Cash Position:

- End-of-year cash balances (March) are projected at £1m - £1.5m, providing a buffer for emergencies.
- The additional loan will be drawn as required, with the initial amount estimated at £1.5 million with the required balance towards the end of the project, providing flexibility while limiting interest exposure over the next 20+ years.

Funding Profile:

Funding to support the £10.5 million investment includes:

- £5.5 million in grants
- £2 million existing loan (taken prior to grant confirmation and invested to yield 4–5%)
- £1.0 million cash investment from previous years
- A new loan application of £2 million is proposed, with anticipated initial drawdown of £1.5 million, and the final payments from the loan balance of £0.5m at the end of the project.

Loan Details:

- Drawdown of the new loan can occur as needed; interest is only incurred once funds are drawn.
- The loan remains available for one year; any unused funds expire at the end of this period.
- Application to the Public Works Board is expected to take two months for approval, but actual drawdown can be completed within days. Cash is expected to be required by September this year.

Contingency Management:

- Fixed quotes from contractors limit the need for contingency, but the loan provides flexibility to accommodate minor cost changes.
- The approach ensures tight financial management while allowing the Board oversight and involvement in expenditure decisions.

Overall Position:

- The financial strategy keeps rates stable, provides cash reserves, manages debt prudently, and accommodates project costs within the approved budget.
- The programme is financially sustainable, with sufficient funding, manageable rates, and contingency headroom to cover potential changes.

MB asked if anyone had any questions:

Q: We have no competitive quotes so what control do we have?

A: GS: LSIDB has process control over the programme but does not control what contractors quote for work. Contractors, such as Jackson's, manage their own

supply chains and source work as they see fit. However, they operate in an open-book manner, sharing costs and payment information with LSIDB, allowing transparency even though LSIDB cannot dictate individual contractor quotes.

Q: Why are additional works being undertaken outside the original project specification?

A: GS explained that certain works, such as digging a new trench across the road, were not included in the original project specification but have become necessary to future-proof the programme and ensure safe, efficient, and maintainable operations over the next 25–30 years.

- These additional works were identified during surveys, highlighting issues such as double handling of materials and operational limitations that were not apparent in the original design.
- The decision to proceed with the work, including installing a solid pipe connection across the road, ensures that LSIDB’s own pumps can be used, avoiding problems experienced in the past with over-pumping and temporary arrangements.
- While there are logistical challenges, such as highways approvals that could take several months, the programme board has taken steps to address these proactively to avoid delays and enable proper execution.
- GS emphasised that these works, although outside the original scope, are considered the technically correct and safest option and will provide long-term benefits, preventing future operational issues or legacy problems for LSIDB.
- The programme board reports these decisions to the executive and the full board to ensure oversight and maintain confidence that actions taken are in the best interests of the organisation.

Q: Are the figures in the new cost column fully contracted, and are there any further elements of work not yet fixed under contract?

GS confirmed that all figures included in the new cost column are fixed under contract and form part of the proposed £10.5 million new budget. He noted that some costs, such as the pumps and portable generators purchased by LSIDB, are sunk costs and already paid for.

GS clarified that any contract variations would only arise from technical changes requested by LSIDB, such as additional scope items, and currently there are no anticipated changes from LSIDB’s side.

The contractor is legally obliged to adhere to the contracted costs, except in cases of agreed compensation events under the contract.

	<p>GT confirmed that the Public Works Loan Board interest rate is currently around 5.3%, although it varies daily; the rate is fixed at the point the loan when the PWLB application is approved.</p> <p>MB asked for a proposer and a seconder for the following:</p> <p>The Board is requested to vote for the approval of: -</p> <p>The revised programme budget at £10.5m (previously £9.910m)</p> <p>Proposed: Geoff Simms</p> <p>Seconded: John Hore</p> <p>Unanimous; Decision to approve the revised programme budget at £10.5m (previously £9.910m) carried.</p> <p>An application for an additional PWLB loan of £2m to fund the completion of the programme with DEFRA/EA to proceed. With the already approve loan maximum of £6m(minute 3550 of 20/09/23)</p> <p>Proposed: John Hore</p> <p>Second: Roger Godwin</p> <p>Unanimous: An application for an additional PWLB loan of £2m to fund the completion of the programme approved.</p> <p>Clarification: It was confirmed that the requested £2 million loan is not additional to the previously board approved £6 million. The total loan maximum remains £6 million, and the £2 million request is part of the existing budget framework, not a separate or extra sum.</p>
4.	Review of Actions agreed at the Board meeting
3673	GT read through actions. Being the approved items above.
5.	Any Other Item Which the Chair Decides is Urgent- AOB
3674	None
6.	Date of Next Meeting: 4th February 2026
3675	Confirmed
	Close: 11.30am