

WITHAM FOURTH DISTRICT INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of the **Finance and General Purposes Committee** at 47 Norfolk Street, Boston on
Wednesday 15 January 2025

Present:- P. Richardson (Chairman)

Messrs: T. Ashton C. Hardy
 C. Crunkhorn J. Woods
 S. Evans

1. **Apologies for Absence**

The Chief Executive confirmed apologies had been received from K. Smith, J. Ward, B. Bowles, M. Leggott and N. Jones.

2. **Declaration of Interest**

Outer Dowsing – C. Crunkhorn and J. Woods

3. **2024/2025 ESTIMATES**

The Chief Executive explained to members the situation regarding the £1.4 m Recovery Fund Monies applied for in Tranche 1, of which £1.1m had been received. This payment had enabled the General Reserve to be replenished to where the Board had wanted it to be. The balance had been used to purchase 2 mobile pumps and the remainder was being used to fund essential maintenance works (slip repairs) in the District. The recovery funds need to be spent by March 2025 which meant that £200k the Board had set aside for the maintenance works was being carried forward as this money was not bound by that date. Tranche 2 of the recovery money funding will be available from April 2025 and the Board will be submitting another bid for these funds.

The Chief Executive confirmed this was a very good start to 2025 for the Board.

C. Crunkhorn – was pleased that the General Reserve was back in a good place.

The Chief Executive presented his memorandum to the Committee, which covered the out-turn for the current year, a rate history, and the estimate for 2025/26 showing a suggested rate increase of 1%. This would see the General Reserve at the target level for 2025/26.

*C. Crunkhorn – felt the wording on page 1 of the report regarding the recommendations of the various committees was ambiguous and read as though the recovery funds would be used for funding works and not replenishing the General Reserve. **The Chief Executive confirmed he would amend the wording.***

The Chief Executive referred Members to page 1 of his report which showed the out turn for the current year which was a record of the Board's position after 9 months and the envisaged out turn at the year-end was shown on page 3. The Chief Executive confirmed that he and the Chief Engineer had met and discussed where the General Reserve would be and then set the estimates for the next 12 months using figures agreed at the November Committee Meetings.

Turning to page 3 of his report, the first column showed the initial estimate inclusive of the 20% rate increase due to the energy costs and the associated costs of restoring the General Reserve following the weather events. However, this year as a result of the General Reserve having been replenished from the Recovery fund monies a surplus of £165k would be placed into the Capital Investment Fund (CIF) and be used for storm recovery works.

The Chief Engineer confirmed that the £165k would go with the £200k recovery money funds to pay towards the Hobhole Pumping Station dredging works which totalled £550k. The Chief Executive confirmed that if funds were received under Tranche 2, then the Board could be flexible with their own

money but not the DEFRA funds. The Chief Engineer confirmed that £1.5m would be applied for under Tranche 2.

The Chairman confirmed that the total cost of repairing the banks and the dredging would be £4.5m. It had been decided to reduce this sum into smaller £500k chunks to make it more manageable. He added the funding this year had been a windfall and would likely not be repeated.

The Chief Executive confirmed that the maintenance budget was the largest and the estimate was similar to last year. He was confident that the budget was achievable.

J. Woods – appreciated the Board's intention to get the General Reserve to 25% in 2026/27 but he believed that other Boards were currently at 30%. He was not convinced that the recovery funds should be placed into the General Reserve rather than being used for essential maintenance works. The Chief Executive confirmed that the Board's aim was 25% but realistically the Board should probably aim for more in future years.

T. Ashton – agreed with J. Woods. The recovery funding was an amazing bonus and he believed that IDBs had received the monies because the Government were aware of the work they do. The EA needed equivalent investment but had not been successful. He firmly believed that there were no guarantees that in future weather events funding would be made available and felt the aim should be to get the General Reserve to 30%. He fully supported the dredging work being carried out. The Chief Executive confirmed page 4 of his report shows that the Board is ahead of where it wanted to be with the suggested 1% rate increase.

The Chairman confirmed the General Reserve was affected by pumping costs and the Chief Engineer had provided details of a ten-year average costing on pumping but obviously more weather events pushed this average higher.

The Chief Executive referred Board Members to page 3 of his report which showed the £165k applied to slip repairs with nothing into General Reserves in 2024/25.

4. **2025/26 Estimate**

The Chief Executive confirmed Page 6 of his report showed the summary estimates for the next year, where the Board is estimated to end 2024/25, and the estimate for the end of 2025/26. The maintenance budgets had already been approved at the December Board Meeting. The EA precept had not changed for over 10 years. The Estimate showed that the amount of nett expenditure was £3.8m. This was reduced by other income:- investment income which is currently £6.5k per month, rents and consents had reaped a total of £100k, so the amount the rates needed to cover was just £3.7m.

The Chief Engineer confirmed that the cleansing estimate had been reduced by £365k being the £200k received from the recovery fund and the £165k surplus, so this would not affect the rate.

Page 10 showed the position for the ratepayers and the special levies due. Therefore a suggested rate increase of 1% was proposed for the current year.

C. Crunkhorn – asked if 1% was really enough? He felt that it would be better to ask for, say, 2% rather than 1% now and then 5% next year. He felt it would be sensible to build up funds now and complete the dredging works. The Chief Executive confirmed that 1% increase would take us over the 23% for the General Reserve. The Chief Engineer asked how this increase compared with other Boards? The Chief Executive confirmed that the range was between 0% and 6%.

T. Ashton – said he appreciated both sides and the Board was in a very good position where it could "get by" with a 1% increase. However, additional money would make all the difference to the maintenance work. The Chief Engineer had made it clear that there was always work to do to improve the district. He was very conscious of rising inflation but believed that perhaps a 2.5% increase be considered and that there was a solid argument to support this level of increase. He would fully endorse this looking at dredging and essential improvements needed.

The Chairman added that he was not worried about rate increases over the next couple of years as the Board had a solid plan for works that needed to be completed. Weather events would continue to hit us, and essential maintenance was required to limit any future damage. Everybody needed to get on board with this mindset.

T. Ashton – added that the 3 councils were trying to pursue the issue of special levy payment via a special interest group. He had very little confidence that councils would be put in a position whereby special levies would be taken out of the referendum cap. In his opinion, they should never have been included but dispensation was needed and he was not sure that the special interest group had the will to make such a request.

J. Woods – agreed with T. Ashton and C. Crunkhorn but felt that over the years the rate had been set to appease the councils. Weather events were much more frequent now and he was very concerned that 1% increase was not sufficient and should be part of a larger discussion.

The Chief Engineer confirmed that according to the Chief Executive's figures a 1% increase would mean that the General Reserve was at 107% of the 23% target. He asked if the intention would be for the additional funds received from a 2.5% increase to be added to the General Reserve or put towards the dredging works.

C. Crunkhorn and J. Woods confirmed the funds should go towards the dredging works.

J. Woods – added that in 5 years' time the district would have a brand-new state of the art pumping station but all the supporting infrastructure was not keeping up. The Chief Engineer suggested 1% be applied towards the General Reserve and 1.5% be applied to the dredging works. The Chief Executive added that the Board was already adding £50k towards the capital investment fund for future works.

There were further discussions and it was agreed that it was essential that the General Reserve remained fluid. If further monies were received from Tranche 2 then these could be used for the dredging works and the Board's own money could be held in Reserves in case of further maintenance work or in the event of a weather event and could be used as best needed. Transparency regarding the funds held was of the utmost importance. It was suggested that the funds be held in capital investment fund which would show the Boards' intent and the Board would then be able to defend any criticism.

The Chief Executive said that he would re-work the figures on this basis.

J. Woods – confirmed people on the street wanted to see the Board's machines working and dredging the watercourses to try and minimise any future damage from weather events. The Board was working on averages but weather events were unprecedented. Full transparency was key.

The Chief Executive reminded members that on page 11 of his report they could see that rate increases over the past 10 years and these were comparable to local councils, so he was confident that the Board provides value for money.

S. Evans – confirmed 2.5% was not being asked for to support pay rises but for the prevention of flood and the general public appreciate the work being done.

The Chairman asked the Committee members if they were prepared to recommend to the Board that the rate be increased by 2.5% and that the sum of £165k be added to the capital investment fund in 2024/25.

There was a show of hands and it was unanimously:

RESOLVED TO RECOMMEND

- i) The Chief Executive's Estimates be amended with a 2.5% increase in the rate and that the Chief Executive provide updated figures before the February Board meeting.
- ii) That £165k be put into the Capital Investment Fund in 2024/25

2. **ANY OTHER BUSINESS**

There was no other business, and the meeting was closed at 3.10pm.

Chairman