

# WITHAM FOURTH DISTRICT INTERNAL DRAINAGE BOARD

## MINUTES

of the proceedings of the **Finance and General Purposes Committee** at 47 Norfolk Street, Boston on  
**Wednesday 18 January 2023.**

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Present:- P. Richardson (Chairman)

Messrs: T. Ashton C. Hardy  
P. Ashleigh-Morris N. Jones  
R. Austin M. Leggott  
B. Bowles K. Smith  
C. Crunkhorn J. Woods  
(Vice Chairman)

1. **Apologies for Absence**

The Chief Executive confirmed apologies had been received from J. Grant and J. Ward.

2. **Declaration of Interest**

None

3. **2023/2024 ESTIMATES**

The Chief Executive presented his 11-page memorandum to the Committee, which covered the forecast for the current year, a rate history, and the estimate for 2023/24 showing a suggested rate increase of 8.0%. The Chief Executive confirmed that whilst this increase was one of the highest, he had seen during his tenure, some IDBs were severely affected by the energy price hikes and were discussing increases in the region of 30%. Thankfully, this Board were tied into the fixed energy contract until April 2024 so this had not been an issue this year although may impact next year.

The Chief Executive confirmed that the original estimate had shown there would be an anticipated surplus of £62k to be added to the General Reserve, however, pending average rainfall for the rest of the year, the actual figure would be nearer to £120k. This was because the year had been drier than normal so there had been minimal use of the pumps. There had been a slight reduction in Admin costs due to the loss of a staff member. Last year the 5% rate increase had been agreed mainly based on the issue of red diesel. This argument had been won allowing use of red diesel at the pumping stations and some machinery however this had been affected by the significant increase in fuel prices. £40k of the £120k surplus was due to this.

The Chief Executive referred Board Members to the General Reserve and confirmed the current balance as £530k. With the potential £120k above, this would increase to £650k which would mean that the Board would be slightly ahead of where it wanted to be this year.

*N. Jones – asked if the pay increase had now been agreed?* The Chairman confirmed that as of yet, it had not been agreed. The Chairman confirmed that the initial offer made was 2.1% consolidated and a one-off unconsolidated payment of £1500 to be paid monthly. This offer would have equated to an approximate 8% pay rise for an employee on spine point 14 but this was rejected by the employees.

The Pay & Conditions Board reviewed the offer and offered 2.1% consolidated together with a one-off payment of £1,800 to be paid by way of 2 instalments in April and September. The Union had had a meeting with a few members present who had decided to reject this offer too, although their members had not been given the chance to vote on this improved offer.

The Chairman added that the Pay & Conditions Committee preferred to accept a formula for pay reviews which had thrown up an anomaly during covid years resulting in a higher increase for employees which was honoured by the Board. Only about 30% of the Lincolnshire workforce were

members.

The Chairman confirmed that the Pay & Conditions Committee have asked the Union to give them an idea of what figure would be acceptable to their members so resolution could be reached.

*N. Jones – suggested that as the Union membership is only 30%, the offer should be final and on a take it or leave it basis.* The Chairman confirmed the additional £300 offered as part of the one-off payment would cost the Board £15k. Some Boards had left the Committee and had already agreed their pay increases. However, the Chairman believed in joint negotiations but confirmed that what employees did not realise was that on top of the increase they would receive there was an additional 25% cost to the Board in increased pension contributions.

*B. Bowles – asked how the £1800 payment would be made?* The Chairman confirmed this would be paid by way of two instalments into the April and September salaries. The Chief Executive confirmed his estimates had been prepared on the basis of a 2.1% increase together with the £1,800 one off payment.

The Chief Executive referred Committee Members to his estimate which showed the admin costs have increased by £40k. This was based upon the salary increase and also the loss of an engineering team member of staff with a salary of £30k and the anticipated recruitment of the new engineering team member at a salary of £50k. The Chief Executive confirmed that other Boards and the Environment Agency were struggling to appoint suitable people and their 6-year capital works plan looked likely to be extended to 7 years because of the difficulty appointing people.

Maintenance costs had increased by £200k. The Chief Executive had mitigated this with the investment figures slightly but was hopeful that £1m investments would attract a good rate of interest meaning increased income. There had been an increase in consenting fees this year and the nett amount expected to be recovered from rates and special levies was £3,065,000.

Page 7 of the estimate showed the actual figure required to be recovered through rates was £3,104,000 including £38,500 as the agreed addition to the General Reserve to build this up over time. Without this figure, the increase would be 6.6%.

The Chief Executive referred Committee Members to page 11 which set out a comparison of average rate increases over the past 10 years for Boston Borough Council (3.25%), East Lindsey District Council (3.33%) and the Board (1.97%). This demonstrated that the Board had been successful in managing the rate, despite overhead cost increases and extreme weather events during this time.

The Chief Executive believed the estimate showed the Board was demonstrating value for money and continued to be as efficient as possible for the ratepayers and special levy payers. The Chief Executive confirmed that there had been very little land moved to developed land this year and he was very mindful that the Councils were constrained financially.

The Vice-Chairman added that the General Reserve hinged upon no bad weather events and that if there were 2 consecutive bad weather events the rate would need to rise again. The Chairman agreed and said if there was a severe weather event the increased fuel and labour costs would make a large dent in the Reserve Funds. The Governance Committee had recommended adding an additional 1% per year over the next five years to reach 25% but really the Board needs to be looking at nearer 35%. It was known that Black Sluice IDB were aiming at 90%.

The Chief Executive added that our 3 local councils are all unfairly prejudiced because they have the largest drainage boards in their area. They have challenged DLUHC to take Special Levies out of the rate cap because the total requirement is around £11m.

*T. Ashton – confirmed that the General Reserve figures shown on page 5 really stood out to him as it was clear that the 2 wet years had cost the Board £250k. Whilst it was very difficult to compare Boards he felt the gold standard should be to deal with weather events over 2 years whilst having sufficient funds available to continue works in the 3<sup>rd</sup> year. He was happy to endorse the placing of £120k to the General Reserve and was happy to propose the 8%*

increase to the rate. He believed that now was the right time to build reserves and that the Board was extremely lucky to be in a fixed contract for the electricity. He believed this Board did an excellent job and were very careful with public money and the estimates were always accurate. He was fully aware that this was a very challenging time for the Councils and was aware that there was a lot of work being carried out to try and get a solution.

N. Jones – said whilst he agreed with most of what Cllr. Ashton had said he could not agree 100%. He was unhappy that 60% of monies recovered by the Councils go straight to the drainage boards. Council tax rates can only increase by 5% but drainage rates can increase by 8%.

T. Ashton – confirmed that as set out on page 10 of the estimates the share between the council and the agricultural ratepayers is well balanced. In the Lindsey Marsh Drainage Board area three-quarters of the area is council related and when numbers like 22% or 32% are being bandied about, this will hit the councils hard.

M. Leggott – agreed with Cllr. Ashton but does understand the points raised by Cllr. Jones.

The Chief Executive empathised saying that our 3 local councils are all unfairly prejudiced because they have the largest drainage boards in their area. The Chairman added the Board were also looking to guarantee that it is able to carry out the work it needs to. The Chairman asked the Committee members if they were prepared to recommend to the Board that the rate be increased by 8% in line with the Chief Executive's Estimates.

This was proposed by T. Ashton and seconded by P. Ashleigh-Morris. There was a show of hands and it was unanimously:

**RESOLVED TO RECOMMEND**

- i) The Chief Executive's Estimates be adopted with an 8% increase in the rate.
- ii) that the resultant rate be levied in the Sub District 1 (*the former Borough Area of Boston*) to be one half of the full rate:  
**9.51 (8.81) pence**
- iii) that the resultant rate be levied in Sub District 2 (*the remainder of the Internal District*) be the full rate:  
**19.03 (17.62) pence**
- iv) that the Special Levies on Local Charging Authorities be set as follows:

<b>Boston Borough Council</b>	<b>£ 1,256,520</b>
<b>East Lindsey District Council</b>	<b>£ 443,015</b>

3. **ANY OTHER BUSINESS**

There was no other business, and the meeting was closed at 3.00pm.

**Chairman**