

WITHAM FOURTH DISTRICT INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of the **Finance and General Purposes Committee** at 47 Norfolk Street, Boston on
Wednesday 17 January 2024

Present:- P. Richardson (Chairman)

Messrs: T. Ashton C. Hardy
B. Bowles N. Jones
C. Crunkhorn M. Leggott
(Vice Chairman) H. Staples
J. Woods

1. **Apologies for Absence**

The Chief Executive confirmed apologies had been received from K. Smith and J. Ward. The Chairman extended his thanks to Helen Staples for joining the Committee.

2. **Declaration of Interest**

None

3. **2024/2025 ESTIMATES**

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 2024/25 showing a suggested rate increase of 20%. The Chief Executive confirmed that despite this hike in rates, the average rate rise over the past 10 years remained at 4.2%, which was not that far removed from the local Councils' rate increases.

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. This figure showed a deficit of £110k. Whilst disappointing this was attributed to excess pumping costs incurred during the recent weather events. A highland water claim in the sum of £112k had been made and would be considered at the RFCC meeting on Friday 19th January 2024. Nothing was definite but the Chief Executive was cautiously optimistic that the claim would be paid, but no more than that.

The worst-case scenario was the impact the £110k deficit would have on the General Reserve which was at 79% target at the start of the year and would be lower by the end of it. The Board had indicated in December a wish to see the General Reserve at the correct level and therefore a £156k increase to the General Reserve would mean it was at 89% of the anticipated level. If the payment of £112k was received from the Environment Agency ("EA") the Reserve would be at 99%.

The Chairman added that at present electricity was being purchased at a lower rate than it will be from April 2024 when it would increase by 170%. The recent weather event had incurred costs to the Board of £150k, and that was at the lower rate. Once the 170% electricity increase was added, not so many weather events could be covered by the reserve.

A discussion followed regarding the various electricity options.

N. Jones – asked whether the use of solar panels had been considered? The Chairman said that unfortunately the sun was not normally shining when needing to pump water in a weather event.

The Chief Executive confirmed that solar had been investigated but the major issue was storage. The Chief Engineer concurred that the storage field would need to be massive and the storage issue was very complex. The gains that would be made were with the new pumping stations which would be much more efficient. The new Wrangle Pumping Station would use 50% of the electric needed by the existing

one.

The Vice-Chairman confirmed that the 2 recent weather events had certainly focused his mind on the level of the General Reserve.

The Chief Executive referred Members to page 3 of his report showing the Summary of Estimates and ran through it. The Chief Engineer confirmed that there had been a big increase in the consenting fees/contributions received which was as a result of the change in policy approved by the Board.

M. Leggott – asked how often these charges were reviewed? The Chief Engineer confirmed that the consent application fee was fixed by law at £50 and any change would require review by the Government. The Board makes an additional charge of £50 in respect of administration charges.

2024/25 Estimate

The Chief Executive confirmed that the budgets had already been approved at the December Board Meeting. The EA precept had not changed for over 10 years. The Estimate shows that the amount of nett expenditure was £3,599,464 which together with the £156k adjustment for the General Reserve gave a total of £3,756,214.00 for the year which equated to a 20% increase to the rate.

Pages 9 and 10 showed the historical values and also the allocation between the 2 councils and the agricultural rate payers.

N. Jones – asked what increase would be required if the amount was not added to the General Reserve? The Chief Executive confirmed that would mean a 15% rate increase however the Board had agreed to move reserves to 22% of annual expenditure this year.

N. Jones – challenged that such a large Reserve was necessary and he was concerned at holding such a reserve. The Chairman confirmed that the last storm had cost the Board £290k and this did not include the damage such as the slips which run into hundreds of thousands of pounds. 2 weather events would completely wipe out the General Reserve and therefore it was appropriate.

A general discussion followed and many points were raised but the general consensus was that steady progress was needed to increase the level of the General Reserve.

T. Ashton – added in previous years he had argued over 0.5% rate increase however he was minded that the General Reserve needed to be able to see the Board through two winters and manage a third. The Board still needs to function and he would wholly support a 20% increase to the rate.

M. Leggott – added it was easy to suggest taking a rate increase holiday but not to add to the Reserve at this time was a grave mistake. Steady progress was needed to reach the desired levels. He appreciated that it was a large increase but he also supported it.

The Chief Executive added that over the past 10 years over £10 million had been drawn in FDGiA payments. If the Board had not achieved this the rate increases would have been much higher.

The Chairman added that this increase would only maintain the Board's current level of work and maintenance and does not allow for any improvements. Looking at the last two storms, the East Fen has suffered and work needs to be done there. There have been two major storms in the last 5 months and the winter is not over yet. He appreciated that 20% is a large increase but is needed to protect the core of the district, which is always deteriorating and this needs to be prevented.

N. Jones – added that he could not dispute the work being done by the Board but he wanted the Board to realise the impact of this on the council who are limited to a 5% increase.

The Chairman appreciated the points raised but said that the General Reserve needed to be protected.

The Chief Engineer added that he fully appreciated the Council's viewpoint but with electricity costs increasing by 170% the costs of dealing with any future weather events would significantly increase and £500k in the General Reserve will not last for very long. In a weather event the pumps MUST run regardless of the costs. Generally, annual pump hours are between 10k and 12k this year they have been 20k so double the average.

The Vice-Chairman said that he was very concerned with the current year let alone the new year. A significant amount of water had been moved and there were numerous slips to repair which were very costly. The Chairman confirmed that in 2019 the total slip repair costs had been £250k.

T. Ashton – felt that whilst it had been correct to limit previous increases to 1 or 2% to prevent hurt to councils with the larger increase being bought in it had had bought the issue of Special Levies to the national Governments attention and it was now being taken seriously. Accepting small increases had in fact kept the issue under the radar. The system required change.

The Chief Executive confirmed that the 20% had not just been plucked from the air but was the figure required to get the Board where it needed to be. The Chairman asked the Committee members if they were prepared to recommend to the Board that the rate be increased by 20% in line with the Chief Executive's Estimates.

This was proposed by T. Ashton and seconded by M. Leggott. There was a show of hands and it was unanimously:

RESOLVED TO RECOMMEND

- i) The Chief Executive's Estimates be adopted with an 20% 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:
11.418 (9.51) pence
- iii) that the resultant rate be levied in Sub District 2 (*the remainder of the Internal District*) be the full rate:
22.836 (19.03) pence
- iv) that the Special Levies on Local Charging Authorities be set as follows:

Boston Borough Council £ 1,507,823.97
East Lindsey District Council £ 531,647.20

The Vice-Chairman thanked the Committee Members for their support in agreeing to such a large increase but added this really was the bare minimum. The Chairman agreed that he was disappointed to be asking for the largest increase ever which would result in no additional improvement in the District.

3. **ANY OTHER BUSINESS**

There was no other business, and the meeting was closed at 3.15pm.

Chairman