

# BLACK SLUICE INTERNAL DRAINAGE BOARD

## MINUTES

of the proceedings of a meeting of the Executive Committee

held at the offices of the Board on  
17<sup>th</sup> January 2023 at 2pm

### Members

Chairperson - Mr K C Casswell

\* Cllr P Bedford

Mr M Brookes

\* Mr J Fowler

\* Mr P Holmes

Mr M Rollinson

\* Member Present

In attendance: Mr D Withnall (Finance Manager)

Mr P Holmes chaired the meeting.

#### 2077 Recording the Meeting - Agenda Item 1

Committee members were informed that the meeting would be recorded.

#### 2078 Apologies for absence - Agenda Item 2

Apologies of absence were received from Mr K Casswell, Mr M Rollinson, Mr I Warsap and Mr M Brookes.

#### 2079 Declarations of Interest - Agenda Item 3

There were no declarations of interest.

#### 2080 Minutes of the Meeting - Agenda Item 4

Minutes of the meeting held on 13<sup>th</sup> December 2022, copies of which had been circulated, were considered and it was AGREED that they should be signed as a true record.

#### 2081 Confidential Minutes of the Meeting - Agenda Item 5

Confidential Minutes of the last meeting held on 13<sup>th</sup> December 2022, copies of which had been circulated, were considered and it was AGREED that they should be signed as a true record.

#### 2082 Matters Arising - Agenda Item 6

##### (a) 10 Year Plant Replacement Budget – New JCB 140X – Minute 2071(a)

The Finance Manager informed the committee that the JCB Excavator being replaced has been placed at the front of the depot for sale and have had two interested parties. As soon as a delivery date for the new excavator is known, sealed bids will be invited.

(b) Pay Award 2023/24 – Minute 2071(k)

The Finance Manager reminded the committee of the revised employer offer presented to the Union, following the first being rejected, as below:

*Using The Office for National Statistics Earning 01 Average Weekly Earnings – Total Pay, Great Britain (Seasonally Adjusted)*

*Provisional July Figure, published in September, for the public sector, 12-month average (August of the previous year to July of the current year) of the Single Month Changes (KAC8), % change year on year (2.1%)*

*In addition, for 2023/24 an un-consolidated payment of £1,800 will be paid in addition to the salary in two equal payments of £900 in April 2023 and September 2023.*

The Finance Manager next displayed the following response received from the Union:

*Thank you for your email last week including the revised pay offer. The union branch held a virtual meeting last week for members to discuss the pay negotiations, including the latest pay offer.*

*The overwhelming view from the members that attended was that this offer is still not acceptable. Specifically, they considered the consolidated percentage figure of 2.1% to be too low and were unhappy that a large element of the offer is unconsolidated.*

*We are prepared to put the revised pay offer to a ballot of members, however every indication from the meeting was that the offer is still unacceptable and would most likely be rejected again. If we do go ahead with a ballot on the current offer, given the feedback we have received, the Branch Officers will probably have to recommend that members should reject the offer. The ballot will also inform voters that a rejection may include the possibility of industrial action. It is worth noting that had the previous ballot been an industrial action ballot, the required threshold (i.e., 50% return rate, with a 51% rejection rate) would have been achieved.*

*With this in mind we would like to meet with you (the employers side) as soon as possible to discuss how the offer could be improved to a level acceptable to staff.*

The Finance Manager highlighted that with both the consolidated 2.1% increase and additional unconsolidated payment of £1,800 this equates to an increase of 10.97% for the lowest paid employees, which has been dismissed by the Union without going to ballot. The Finance Manager continued that he, as Secretary of the ADA Pay & Conditions Committee, has replied to the Union requesting that the Union state what it is they are looking to achieve. The Finance Manager added that to address the concerns from the Union in relation to the lump sum being unconsolidated the employers accepted that this would be a one-year deal only and this would then give opportunity to negotiate next year's Pay award (2024/25), if the Average Weekly Earnings index did not increase as it is expected to do so.

The Finance Manager noted that the current approved offer by the ADA Lincs Branch is 2.1% consolidated with £1,500 unconsolidated. The next ADA Lincs Branch meeting is on 23<sup>rd</sup> February and is the only one scheduled prior to the new financial year on 1<sup>st</sup> April and so the new proposal needs to be presented at the February meeting.

It was confirmed that there are 10 out of 25 Black Sluice IDB employees who are part of the Union, however, it is not known who, nor is it allowed to be asked.

It was also added that the Finance Manager had a meeting with the Workforce prior to Christmas to explain to them the offer being proposed and the percentage increase it works out at with the unconsolidated lump sum.

The Finance Manager clarified that it is only 2.1% consolidated because that is what the formula is and, both employers and the Union, were keen to stick to using the formula if possible. The formula looks back over the last twelve months and so it is expected that the formula will be a much higher percentage next year.

Mr J Fowler noted that the Union have used the 2.1% as a headline to present to their members, without the unconsolidated additional payment.

(c) GIS & Environmental Technician – Minute 2071(l)

This job role has been reviewed and re-titled the 'Technical Engineer'. It was advertised before Christmas, with a closing date of the 22<sup>nd</sup> January. There have been five applicants so far.

(d) 2023/24 budget and 10-year estimates – Minute 2073(a)

Cllr P Bedford questioned whether any response has been received from any of the councils in relation to the correspondence sent to them regarding the proposed increase of 27.86%?

The Finance Manager responded that he has had no response, although he has spoken with a member of staff that covers Boston Borough Council and South Holland District Council, who was asking for the Special Levy figures, and was not aware of the letter that had been sent. The Finance Manager told her the anticipated figures and forwarded the letter regarding the proposed increase.

Cllr P Bedford noted that a councillor had been interviewed on the local radio regarding the local department store closing down and that it was mentioned about the impact of the increase for the IDBs.

Mr P Holmes referenced a news article regarding the difficulties faced by the councils with an IDB in their district. The Finance Manager noted that he has forwarded it on to ADA, who have engaged with the journalist and Lord Porter and invited the journalist to the Environment Day at Peterborough.

Mr J Fowler referred to the new pumping regime trialled to try and save money, questioning if the levels have now been reduced, noting that he has had concern from a farmer in South Kyme. The Finance Manager noted that he has got an update on this at Minute 2084.

(e) 10 Year Plant Replacement Budget - Minute 2073(b)

The Finance Manager informed the committee that the Operations Manager and Pump Engineer visited Holland last week to view the Hooby machine by Aquatic Control Engineering (ACE). The Operations Manager has reported that it looks a good machine. The Finance Manager noted his only concern that they are only producing 10 per year. The Operations Manager and ACE are currently looking at buy back and extended warranty, it being confirmed that JCB would service the machine. The Operations Manager feels it is a potential replacement for the Twiga in April 2023 and so will be presenting it to the Board in February.

Mr P Holmes noted that he has spoken with an operative of the Welland and Deepings IDB who has expressed that there have been problems with their JCB Hydradig.

(f) South Lincs Reservoir – Minute 2075(a)

The Finance Manager explained that he attended a meeting last week regarding the open water transfer possibility and presented some slides that were presented at that meeting, displaying options for the transfer.

The Finance Manager explained that the baseline being looked at is a long pipe from upper River Witham all the way to the reservoir (option S0). A second option is a shorter pipe from the other side of Langrick Bridge into the South Forty Foot Drain (SFFD) (option S1). The open channel transfer option from the Witham to the SFFD was also displayed (option S2), in addition to another option, which could be piped or open transfer, involving connecting the SFFD and Glenn (option S3). This would allow for navigation but also for the emergency discharge route to be into the SFFD, it then being possible to discharge water out both at Boston and down the Glenn. There were two further possible options displayed, option S4, the completion of the Boston to Peterborough Wetland Corridor (B2PWC) and option SY, involving repairs / reinstatement of Foss Dyke Canal Banks.

The Finance Manager next displayed an Environmental Appraisal Summary of the transfer route options, it showing that option S2 (open channel transfer option from the Witham to the SFFD) has the most environmental benefits.

Finally, the Finance Manager presented the high-level findings of what benefits each of the options could offer. He explained that the '0' point of the graph is the cost of the baseline option (piped transfer from the Witham to the reservoir). Anything above the '0' baseline are the additional benefits that the route would provide, and anything shown below the '0' baseline is additional cost of that route. Option S4 (completion of the B2PWC) offers the most additional benefit but also the most additional cost.

(g) Training Day Lunch – 22<sup>nd</sup> December 2022

Mr P Holmes noted that Ellenders, Boston United served a good meal at the training day and that it was well received by employees.

## 2083 Period 09 Management Accounts - Agenda Item 7

The Finance Manager highlighted the following points in the Period 09 Management Accounts:

### Income

- Interest is £5,086 up on budget
- Rechargeable income £7,242 more than budget YTD
- Solar income £1,080 more than budget YTD

### Expenditure

- Electricity – the depot and pumping stations are split into two categories; half-hourly's (larger pumping stations) and non-half-hourly's (smaller pumping stations and depot). On the smaller pumping stations the prices were fixed individually for October, November and December 2022 and have now been fixed for January – March 2023. On the larger pumping stations the prices were fixed from October 2022 – March 2023. The Finance Manager explained that all he has received so far for the smaller pumping stations are the bills for October, and some for November which were wrong. He has not yet had anything for December or January 2023 with the new price and so is still working with estimates.

Mr J Fowler noted that he received an email from Woldmarsh this morning explaining that the November and December Npower bills are all muddled and so they are behind with this.

The Finance Manager continued that the government relief for October for the smaller pumping stations was 7.4p per kWh and for the large pumping stations 34.5p per kWh. The current government relief scheme only lasts until the end of March 2023. The Government has announced a new Energy Bills Discount Scheme from April 2023 to April 2024 for eligible non-domestic consumers. The capped price is currently at £211 per megawatt hour (21.1p/kWh), from April 2023 the price threshold will increase to £302 per megawatt hour (30.2p/kWh).

## 2084 2023/24 Budget & Ten-Year Estimates - Agenda Item 8

The Finance Manager highlighted the following points:

### Rates & Levies

The Finance Manager explained that he has followed the direction of this committee to increase the rates as decided at the meeting held in December 2022, the big driving factor for the increase being the cost of electricity. The committee also decided at the December meeting to abandon the reserves policy and, instead, aim towards being able to pay the electricity bills for two consecutive wet years, which is what the Finance Manger has aimed to do. It will take at least eight years to get close to this point and the estimated reserve at the end of 2023/24 would not quite cover the cost of the electricity of one wet year (as per the estimates used in the December meeting).

The Finance Manager confirmed that he has written to the four councils within the Board's catchment and the appointed members to inform them of the Board's intention to increase the rate by 27.86% but has not received any responses.

It was also noted that the land movements from agricultural rates to special levy due to development have been identified, with the below increases:

	2022/23 Special Levy	2023/24 Proposed Special Levy	Increase due to Rate Increase	%	Increase due to Development	%
Boston Borough Council	£ 885,734.14	£ 1,139,128.16	£ 246,790.99	27.86%	£ 6,603.03	2.68%
South Holland District Council	£ 166,133.38	£ 213,985.74	£ 46,289.53	27.86%	£ 1,562.83	3.38%
North Kesteven District Council	£ 75,250.35	£ 97,415.80	£ 20,966.91	27.86%	£ 1,198.54	5.72%
South Kesteven District Council	£ 63,232.70	£ 80,851.16	£ 17,618.46	27.86%	£ -	0.00%
	<b>£ 1,190,350.57</b>	<b>£ 1,531,380.86</b>	<b>£ 331,665.89</b>	<b>27.86%</b>	<b>£ 9,364.40</b>	<b>2.82%</b>

The Finance Manager continued by noting that the Board is required to review the composition of the Board every three years based on the income from rates in the first year of that three-year period. The three-year period comes to an end on 31 March 2023 and so the income for year ended 31 March 2021 will be used for this review. In the financial year ended 31 March 2021 49.95% of rates income were from agricultural rate payers and 50.05% were from Special Levies on Councils. The number of appointed members per council is based upon their contribution to the Special Levy, ignoring any fraction. When this is applied to the contributions of YE 31 March 2021, it comes out as 9 for Boston Borough Council, 1 for South Holland District Council and two additional appointments to be agreed. The Finance Manager therefore suggested that he would propose that they suggest 9 Boston Borough Council, 1 South Holland District Council, 1 North Kesteven District Council and 1 South Kesteven District Council. The Finance Manager also confirmed that there is no requirement for the Board to get an approval from the Minister. It was further noted that the appointed members don't necessarily have to be councillors, the council can appoint who they want.

The Finance Manager further noted that they are trying to get the Special Levy listed separately, further noting that he attended a meeting in November with Defra, they left the meeting with actions to see what could be done, and to date there has been no update or progress since the meeting.

All AGREED to propose, to the Board, that Boston Borough Council have nine appointed members (currently seven), South Kesteven District Council have one appointed member (currently one), North Kesteven District Council have one appointed member (currently one) and South Holland District Council have one appointed member (currently one).

### Capital Schemes

This has previously been presented to the Joint Works Committee and ratified at the following Board meeting. Schemes included in the budget total £677,139 but only £249,000 is a cost to the Board. £163,139 relates to a grant received in a previous year to complete the Sempringham Pumping Station refurbishment, which has been delayed due to Covid and legal agreement difficulties.

The Finance Manager highlighted the only two schemes that have been added to the 2023/24 budget, compared to the one approved by the Board, both relate to the inspection of pumping station suction bays. Swineshead Pumping Station will be inspected during the desilting work, this financial year, and Great Hale and Trinity College Pumping Stations are included as separate schemes. They will all be programmed in going forward.

### Pumping Station Maintenance

The Finance Manager referred back to the electricity costs, presenting on screen a trace of Wyberton Pumping Station, the aim being to compare how much pumping was being done during the day, and how much at night.

The Finance Manager highlighted on screen the difference in day rate to night rate of all the pumping stations, the most extreme being Cooks Lock Pumping Station which is £1.21 per kWh day rate and only 21 pence per kWh night rate. The Finance Manager therefore explained that the team have been looking at what savings could be made if only pumping during the night.

The Finance Manager referred back to the Wyberton Marsh Pumping Station trace and displayed on screen the calculations showing that a saving of £389.48 could have been made, in the period of one week, if that pumping had been done at night. This would equate to over £10,000 over 26 weeks.

The Finance Manager further explained that the team have calculated the cost to run each pump for one hour during the day verses one hour during the night, highlighting the difference such as Black Hole Drove costing £72.66 per hour during the day compared to £25.81 per hour during the night. Allen House Pumping Station is the only pumping station with the same rate for day and night.

The Finance Manager next explained that the team have looked at running the pumping stations as little as possible during the day and setting a sensible emergency level that isn't the emergency profile level. Further explaining that they have increased the day level, but to counteract this, have lowered the night level and increased the amount it will be pumped down.

The Finance Manager referred specifically to South Kyme Pumping Station, explaining that the levels have been adjusted and are now -0.85m ODN at night and will be allowed to get up to 0.0m ODN during the day. The Finance Manager noted that feedback will be received, but that the Board are having to make these changes due to the rise in electricity costs, and therefore, pumping costs.

The Finance Manager also noted the advantage of now being able to control the pumping stations remotely. It was noted that Twenty Pumping Station has a problem with weed and so must have a person there when used, but it is only a booster to Black Hole Drove Pumping Station.

Mr J Fowler and Mr P Holmes felt it made sense.

The Finance Manager continued that he hasn't made any changes to the estimates because he is not confident to do so until there is more certainty in the level of the bills, the relief from central government and any additional assistance that DEFRA may be able to identify.

The committee thanked the Finance Manager for the work done on electricity.

### Administration and Establishment

*Admin salaries* – It was noted that no adjustments have been made in relation to the Chief Executive retiring, due to the expectation that some existing employees will have a change in their responsibilities and an additional person will also require recruiting.

*IT* – IT costs are increasing due to the increase in cyber security measures etc. The Finance Manager also felt that, going forward, the Board will become more

reliant on the support of HBP, due to the Finance Manger currently taking the lead on it, which will have to be led by somebody else following the retirement of the Chief Executive.

*Depot* - Electric is estimated to be double the cost of last year.

*Bungalow* – The Committee agreed a maximum of £6,000 be allowed to replace the kitchen, only £3,000 has been included in the budget.

*Admin & Establishment Overall* – Increase of 5.23% (including the full £6,000 for the replacement of the bungalow kitchen).

#### Development Reserve

The estimated balance for this at the end of this financial year is £473,907. There is no expenditure currently planned for this reserve, although it may be used for works at the Quadrant.

Cllr P Bedford questioned if there has been any progress on the realignment of the main drain at the Quadrant? The Finance Manager noted that this is the work he was referring to, noting that conversations are still ongoing.

#### Wages On-Cost Reserve

The Finance Manager noted to the committee that on-cost rate is 260% and that it is estimated that at the end of the financial year the reserve will be circa £100,000 positive. The Finance Manager continued by explaining that this is due to the workforce vacancies. Of the twelve months used to produce the budget, there were only three months where the Board was fully staffed, which reduced the basic pay charged to the account by c£35,000. The Finance Manager noted that he is reluctant to reduce the on-cost rate now, to then have to increase it again in the future.

Mr P Holmes noted that he had queried the amount of overtime budgeted for (less than actual last year). The Finance Manager explained that a detailed breakdown has been produced to generate the number of hours overtime required in the following year.

#### General Reserve

The Finance Manager noted again that the rate for 2023/24 has been set including electricity consumption at the average of the last 6 years, with the general reserve being sufficient to cover the cost, if the consumption required, was as per a wet year. The balance estimated at the end of 2023/24 on this basis is £750,552. A wet year in 2032/33, using the same percentage increases as currently, would cost £2,369,286 in pumping station electricity and therefore the target for the reserve would be twice this at £4,738,572. The current estimate is £4,501,575.

Mr P Holmes noted that if there was another wet year within the ten year period which used the reserves, the Board will have to start again. Mr P Holmes noted the importance of monitoring this and taking a proactive approach.

The Finance Manager noted that the Board will still be within the Joint Panel on Accountability and Governance (JPAG) Practitioners Guide which states:

*“The generally accepted recommendation with regard to the appropriate minimum level of a smaller authority’s general reserve is that this should be maintained at between three and twelve months of net revenue expenditure”.*



The estimated reserve included for 2032/33 (£4,501,575) equates to 10.5 months of the net revenue expenditure.

The following documents were noted in conjunction with the above:

- Budget with Ten-Year Estimates
- 2023/24 Summary budget by month
- 2023/24 Detailed budget by month
- 10 Year Capital Schemes
- 2023/24 Wages On-cost Reserve Budget
- 10 Year Plant Replacement Budget
- 2022/23 Cumulative Solar Panel Report

Interest rates

Mr J Fowler questioned if there had been any increase in interest rates on the deposit accounts? The Finance Manager responded that he hasn't had any formal notification, but that fact that the budget is £5,000 on the Period 09 accounts more YTD, it is heading in the right direction. Mr J Fowler noted that he believed Monmouthshire were giving 3% on instant access.

2085 Any Other Business - Agenda Item 9

(a) Difference in run-off water between cropped land and ploughed land

Mr J Fowler referenced the difference in runoff water between that of ploughed land and that of cropped land. Mr J Fowler noted that he has set up a little ongoing experiment and has found that a cropped field has significantly more runoff and therefore is putting more water in the drain in comparison to a ploughed field.

Mr J Fowler therefore felt that the ploughed land in the Board's catchment is an attenuation for the system compared to cropped land. Further noting that the current agricultural direction from Defra is to crop all year round, which Mr J Fowler felt would make a difference to the amount of water being put in the drains and Board's system.

Mr P Holmes questioned whether this would be different in a prolonged fluvial event? Mr J Fowler didn't believe so, being of the opinion that once the cropped land reaches field capacity it will stay at capacity.

Mr J Fowler noted that he is currently trying to identify a way to measure the water output from land drains, noting that he is starting with CCTV.

There being no further business the meeting closed at 15:32.