

WITHAM THIRD DISTRICT INTERNAL DRAINAGE BOARD

Minutes of the one hundred and eighteenth meeting of Witham Third District Internal Drainage Board held on Tuesday, 25th January 2022 via video conference at 09.30am.

Present:

Cllr T Ashton
Mr I M Clark
Cllr I G Fleetwood
Cllr Mrs C Grimble
Mr R P Hairsine
Cllr G Hewson
Mr I R Parker
Cllr P J Vaughan
Mr T Williams

Chairman

In attendance:

Mr. Ian Coupland	Director of Operations.
Miss Jayne Flower	Executive Assistant.
Mrs. Jane Froggatt	Chief Executive.
Mr. Guy Hird	Head of Engineering & Technical Services.
Mr. Steve Larter	Director of Finance and Governance.
Mr. Martin Shilling	Director of Engineering & Technical Services.

2949 Apologies for absence.

Apologies for absence were received from Mr J Armstrong, Cllr S M Avison, Mr J Boyall, Mr Charlesworth, Cllr S England, Mr R J Garner, Cllr W Grover, Ms J F Holland, Mr M Hoyes, Mr D Jackson, Cllr T Kemp, Cllr F M Martin (MBE), Mr S Matthews, Mrs A Sayer, Mr D Sempers, Mr M I Thomas (**Vice Chairman**) and Mr R Weightman.

2950 Declarations of Interest.

Declarations of interest were received from members nominated by City of Lincoln, East Lindsey District and West Lindsey District Councils in matters relating to their respective Councils.

2951 Chairman's Announcements.

The Chairman welcomed members to the January meeting of the Board. He regretted that once again members were meeting via videoconference, many hoping this will be the last such Board meeting.

Traditionally at January meetings, the focus is necessarily on the Board's legal duty to set a financially balanced budget for the new financial year starting on 01st April. A lot of preparation goes into this from our officer team, but this year it had been particularly challenging. Budget Estimates were on the agenda today with proposals for a financially balanced 2022/23 budget.

Members would also be receiving an update on the work to complete the 2021 maintenance season, our winter works programme and how we are progressing with the PSCA works for the EA on main rivers.

2952 Minutes of the Board Meeting, incorporating the Annual Public Meeting 21.09.21.

The Minutes of the Board's previous meeting held on Tuesday, 16th November 2021 had been circulated with the agenda and were proposed, seconded and APPROVED as an accurate record.

MATTERS ARISING:

There were no matters arising, all items being covered by the agenda.

2953 Minutes of the Board's Standing Committee meeting, 11.01.22.

The Minutes of the Board's Standing Committee meeting held on Tuesday, 11th January 2022 had been circulated with the agenda and were proposed, seconded and APPROVED as an accurate record.

MATTERS ARISING:

2953.1 Chief Executive's Report (minute 6 refers).

Terry Williams stated that he would like further details of the conversation regarding red diesel and the impact of this recording, as members had discussed the issue at length. The Chief Executive noted that this issue was covered in reports further on in the agenda of today's meeting. It was confirmed to Members that ADA had approached Wilkin Chapman solicitors, with a view to obtaining Counsel's opinion as advocated by Terry Williams and they were also meeting Defra this Friday, 28th January 2022. Costs of the switch from red to white diesel were detailed in length in reports.

2954 Minutes of the Joint Services Committee Meeting, 13.12.21

The minutes of the JSC meeting held on Monday 13th December 2021 had been circulated with the agenda and issues highlighted included:

2954.1 Budget Setting for 2022/23 (minute 6.3 refers).

Budget preparation was well underway but 2022/23 is proving to be a challenging year. For the benefit of new JSC members, it was outlined that during November and early December a series of officer meetings is held to go through budget cost pressures in the current year, cost pressures in the forthcoming year and any known developments or known improvements Boards wish to achieve. These are fed through into a first draft of individual Estimates for each Board. As part of this process, the Joint Services Budget for 2022/23 is reviewed. On the other side of this equation, efficiencies are part of the process. The proposed Joint Services Budget for 2022/23 went in draft to the JSC and it has been apportioned in the budget setting process for individual Boards [in the Joint Services Agreement agreed contribution proportions of Upper Witham and Witham Third 30% contribution each and North East Lindsey and Witham First Boards 20% each].

As context, it was outlined to the JSC that the following cost pressures were included in draft budgets:

- Pay award at an assumed 2.5% for 2022/23 [to be confirmed by individual Boards],
- National Insurance employer contribution rate increase of 1.25% from April 2022 [increasing the rate from 13.80% now to 15.05%].
- Revised organisational structure, including those agreed at JSC in May 2021.
- In NELDB, assumed 15% increase in costs of new Maintenance Contract [tenders from potential suppliers were due in 04.01.22].
- Costs of switching operations from red diesel to white diesel from April 2022, a significant cost pressure for 2022/23. This includes the two elements of the increased cost of switching to white diesel across all plant, tractor/flails and excavators, and the increased unit price of white diesel [assumed £1.30 per litre pump price, as IDBs reclaim VAT, effectively £1.08 per litre excluding VAT rather than the unit price we did have of £0.5614 per litre for red and usage quantities similar to those in 2021/22 [UW 82,000 litres, W1 52,000 litres, W3 72,500 litres].
- Fuel budgets: assumed budget in UW £88k [from £45.5k], W1st £56k [from £33.5k] and W3rd £78k [from £47.5k]. In NELDB this is covered in the assumption of 15% on the Maintenance Contract tenders.
- Insurance costs: assumed renewals July 2022 costs will be as July 2021 plus 5% increase.
- Electricity costs [a significant cost driver]: all 4 Boards part of the ESPO framework which had forward purchased to April 2022. Notified in October 2021 of a 15% immediate price increase, but fixed to October 2022, so half of 2022/23 on which to assume price level. Have assumed a full year effect 15% rise in electricity costs, as no further information available.
- Assumed 0% increase in NNDR- all 4 Boards.
- Assumed 0% costs increase in mobile phones, as costs are reducing but units of usage are increasing.
- Based on costs escalating on servicing and repairs and maintenance of plant and equipment, draft budgets have factored in increased R&M/servicing budgets for 2022/23, e.g., W1st £33,270 [from £20,270], UW £53,000 [from £26,000] and W3rd £50,000 [from £29,200].
- Telemetry costs on 3 of the 4 Boards [not NELDB where a major upgrade was undertaken in 2020 when Control Star went into liquidation, and we had to migrate to a new system]. Copper landlines disappear in 2025. 2G and 3G will be switched off in 2023 and some of our Telemetry is currently reliant on this [approximate cost of £3.5k to upgrade per Pumping Station and £8k to install per PS from scratch]. Currently a capital scheme Business Case for each of the 3 relevant Boards, but if successful likely to require a £10k budget contribution per Board [total costs estimate W1st £90k, W3rd £50k and UW £50k]. This is not currently budgeted separately so will be a call on existing budgets [e.g., from One Off schemes - W1 budget currently £35k and W3 currently £10k, new budget of £10k required for UW].
- Pump lifts and refurbishments: budget provision increased from £30k per Board to do 2 pump refurbishments per annum [in the light of recent costs experience] to £35k for NELDB and W1st, left UW and W3rd budgets at £30k.
- Lease vehicle costs 0% [rebased where required].

- Assumed initially a 5% increase in the Penny Rate for 2022/23, subject to each Board agreeing this in January (plus any percentage increase for land movements 31.12.21 from agricultural land to other developed land category under the Land Drainage Act [1991]).
- Emergency/wet weather event reserve [not shown in revenue budget]: assumed UW £25k budget maintained and £35k in W3rd. Nothing yet established in budgets for either NELDB or W1st.

At the December JSC meeting members were advised about progress in meeting the Boards' obligations to set a balanced budget for 2022/23 as at 06.12.21, based on these assumptions. There remained some work to do. Based on the stated assumptions, and assuming members support a 5% increase in the Penny Rate, the 06.12.21 position was outlined as:

- NELDB: A gap of £11,833 to close [which with known land movements would on a 5% Penny Rate increase give a Special Levy increase 2022/23 of NLC 5.03%, NELC 5.21% and WLDC 5.0%]. In NELDB 1% on the Penny Rate generates in 2022/23 £6k income to the Board.
- UW: A gap of £74,771 to close [land movements not yet finished for the 5 relevant Councils]. In UW for 2022/23, 1% on the Penny Rate generates £11k income to the Board.
- W1st: A gap of £33,873 [with land movements this would mean on a 5% increase in the Penny Rate, a 5% increase in Special Levy to City of Lincoln Council and 6.32% to NKDC]. In W1st a 1% increase in the Penny Rate generates £9k income to the Board.
- W3rd: A gap of £35,011 [which with known land movements would on a 5% increase in the Penny Rate generate an increased Special Levy to the 3 relevant councils of City of Lincoln 5%, ELDC 6.53% and WLDC 5.05%]. In W3rd a 1% increase in the Penny Rate generates £10k income to the Board.

Members noted the discussion at the JSC meeting on 13.12.21 on the budget setting process for 2022/23 and that the JSC had been content to support the proposed joint services budget and the working assumptions on which the 4 Boards' Budget Estimates were being constructed for the January 2022 Board meetings.

2955 Chief Executive's Report.

The Chief Executive's report had been circulated with the agenda and issues highlighted included:

2955.1 Covid-19.

The Boards continue with a precautionary approach, the 3 priorities remain:

- To maintain business continuity for the IDBs, both operationally and in terms of office-based functions, providing as normal a service as practicable.
- To provide a safe working environment for our staff.
- To maintain sufficient resilience in our teams to be able to respond appropriately to a flood event, when that happens.

However, as the guidance was due to change in 2 days' time, as of 27th January further discussion would be held to review any necessary changes.

2955.2 Context to Financial Pressures on IDBs and the Recommended Penny Rates Increases.

At the January Board meeting, Members are legally obliged to set a financially balanced budget and to publicise this before 15th February. Whilst the usual pressures on IDBs remain, this year we have faced a perfect storm of cost pressures on IDBs. This is not just the 4 Witham & Humber Drainage Boards; we are experiencing pressures like those in the 112 IDBs nationally. Following the Joint Services Committee meeting on 13.12.21 it was agreed that the Director of Finance and Chief Executive should jointly write to all Councils who pay Special Levy to all 4 Boards to brief them on some of the key cost pressures on IDBs and to give them early warning that the Penny Rate increase required to set a financially balanced budget would need to be higher than the low increases in recent years. This affects both Special Levies and Drainage Rates payers. A letter was accordingly sent on 17.12.21.

Whilst not exhaustive, the following factors were outlined as some of the key cost drivers on which IDBs are experiencing cost pressures:

- The Finance Act 2021 and there being no dispensation to use rebated red diesel means that the 112 IDBs nationally are required to switch operations from red diesel to white diesel from April 2022 [unlike the agricultural dispensation or indeed the dispensation that has been made available to golf courses, there is no such dispensation for Flood Risk Management Authorities like IDBs]. This has two impacts, the cost of making the switch from red to white diesel and the ongoing cost thereafter in being legislatively compliant. For 2022/23 budget purposes we have assumed a pump price of £1.30 per litre, or £1.08 per litre for white diesel after IDB VAT reclaim, compared with the current cost of 57 pence per litre for red diesel. Fuel is one of our key cost drivers and this change almost doubles our fuel costs.
- A national 1.25% increase in Employer National Insurance contribution rates from April 2022 increases the contribution rate to 15.25%, in real cash terms a 9% increase in pay costs.
- Electricity contract price increases. The 4 Boards use electricity to run our 55+ pumping stations, in a flood event our pumps can operate 24/7 for several weeks or even months, as happened in Lincolnshire during the heavy rainfall events and floods of November 2019. We market test our contracts and are party to the Eastern Shires Purchasing Organisation [ESPO] framework for electricity, the current contract being with Total Gas and Power. Even with ESPO's forward purchasing arrangements, our contract unit prices were increased by 15% from 01.10.21 and are fixed now until October 2022, so our IDBs may have further price increases part-way through 2022. We have assumed a stable 15% price increase for the whole of 2022/23.
- Insurance premiums costs and comprehensiveness of cover. An unstable, contracting insurance market meant our costs escalated at insurance renewals in July 2021. We anticipate at least a further 5% increase in IDB insurance costs at renewal in July 2022, with further restrictions likely on the level of available cover.
- Plant & Machinery Repairs & Maintenance. IDBs use tractor/flail combinations and wheeled and tracked excavators for much of our day-to-day operational maintenance of watercourses and for our minor improvement schemes. With RPI at 7.1% and CPI at 5.1% in November 2021, inflationary increases and the time lag in sourcing parts from Europe means our spend on routine plant servicing and repairs has increased significantly. To put

some metrics to this, for example, our R&M budget in Witham Third DIDB realistically needs to increase from £29,200 in 2021/22 to £50,000 for 2022/23.

Each of the 4 Boards could justifiably increase the penny rate by more than the levels recommended [e.g., in NELDB 7.88% would be justified and 11.5% would be justified in Witham Third]. Based on the cost pressures outlined, but also on some efficiencies and assumptions of 0% inflationary uplift on most budget headings, the following increases in the Penny Rate have been recommended to Boards for 2022/23:

- Upper Witham IDB 6.25% [NB: A 1% increase in the Penny Rate equates to an additional £11,527 Income to the Board for 2022/23, spread across agricultural ratepayers and the 5 relevant councils paying Special Levy].
- North East Lindsey DB 5.00% [NB: A 1% increase in the Penny Rate equates to an additional £6,167 Income to the Board for 2022/23, spread across agricultural ratepayers and the 3 relevant councils paying Special Levy].
- Witham First DIDB 6.50% [NB: A 1% increase in the Penny Rate equates to an additional £9,210 Income to the Board for 2022/23, spread across agricultural ratepayers and the 2 relevant councils paying Special Levy].
- Witham Third DIDB 5.00% [NB: A 1% increase in the Penny Rate equates to an additional £10,405 Income to the Board for 2022/23, spread across agricultural ratepayers and the 3 relevant councils paying Special Levy].

The Boards have a legal duty to set a financially balanced budget and in doing so there must be a realistic budget, including due consideration given to PSCA income assumptions, for example, as this is not assured income and using reserves both depletes reserves and does not protect the underlying revenue baseline.

2955.3 Pay Award 2022/23

The 4 Boards' representative on the ADA Lincolnshire Branch's Pay & Conditions Committee is Cllr Lance Pennell, Upper Witham Board member. He and the Chief Executive attended the last meeting on 08.10.21 where the pay settlement for 2022/23 was discussed between staff side and employer representatives. It was agreed by the Committee to honour year 3 of the 3-year pay formula, using the rolling 3 months average of pay in the public sector for May to July 2021 as published in KPI KA09 in September 2021, which was a 2.5% increase.

Employers' representatives also gave the requisite 12 months' notice to terminate the current agreement, which will in effect open negotiations for the 2023/24 pay negotiation formula and settlement.

The Pay & Conditions Committee's recommendation to honour the pay formula result of 2.5% was reported to the ADA Lincolnshire Branch meeting on 02.12.21. The Branch meeting endorsed the recommended pay award, commending this to individual Boards for 2022/23 and asking that the ADA White Book pay scales be updated. Pay is, however, a matter reserved to individual Boards and therefore each Board needs formally to agree the recommended 2.5% uplift from 01.04.22, which had been used as the assumption for Budget Estimates 2022/23.

Following discussion and a unanimous vote, Members formally APPROVED the ADA Lincolnshire Branch recommended 2.5% pay award across all salaries and wages for 2022/23 be implemented.

2955.4 Ratification of 3 subcommittees' Suspension of Financial Regulation 9.1 to enable a single price quotation from one supplier of Telemetry.

Three of the 4 Witham & Humber IDBs need to upgrade their Telemetry systems in the next couple of years [as 2G and 3G is switched off and copper lines are discontinued]. NELDB had to switch Telemetry provider two years ago for other reasons and therefore is up to date and this required upgrade does not apply.

Georgina Nichols, Capital Projects Officer for our 4 Boards and 3 other Lincolnshire Boards, is working on a Business Case for upgrading the Telemetry systems and to lever in FDGiA grant funding contributions via the Anglian [Northern] RFCC. Exact costing yet to be confirmed, but provisional scheme costs are £115k for W3rd, £121k For Upper Witham and £143k For W1st. The required partnership contribution funds from each Board are in the range £1k to £10k, exact figures yet to be confirmed.

Provision had been made in the relevant 3 Boards' draft Estimates for 2022/23 for those partnership contributions to the Telemetry upgrades.

Approved Financial Regulations require that 3 written quotations are sought from suppliers, where the values are >£5k, unless Financial Regulation 9.1 is suspended to allow a Single Price Quotation [SPQ].

In this instance, it would be preferable to standardise Telemetry on one supplier, Xylem, for several reasons. This is a multi-national company [incorporates a division formally known as Flygt] based in Nottingham, it is the system used in NELDB, the previous generation server based AquaView system is currently used for Upper Witham stations, two Witham Third stations and one Witham First station. The proposed web based VTScada system is the one successfully installed and operating in NELDB pumping stations. Xylem products are used extensively across the Water Companies, the EA and other FRM authorities so there is a known pedigree to the system.

The 3 Boards' subcommittees agreed at the January meetings that to enable the preferred supplier Xylem to provide a single price quotation, regulation 9.1 of the joint Financial Regulations should be suspended. Following discussion and a unanimous vote Members AGREED to formally ratify that decision and to proceed on this basis.

Members received and NOTED the Chief Executive's report and update.

2956 Schedule of Expenditure, 01.11.21 to 31.12.21.

The Schedule of Expenditure for the two months' period 01st November to 31st December 2021 had been circulated with the agenda and was presented by the Director of Finance and Governance. The schedule relates to those invoices paid in the period, not the period itself.

Gross expenditure totalled £439,588.23 or, net of £30,331.26 VAT, £409,476.97. Of this, £51,145.11 was recharged to other bodies.

Items highlighted to or raised by members included:

- Item 4: £13,383.85 (net) to Axflow Ltd, for Marsh Lane PS. For removal, refurbishment and refit of pumps 1&2.
- Item 24: £850.00 (net) to Black Sluice IDB for External Support – share of Capital Grants Manager Contribution to 30.09.21.
- Item 62: £52,577.00 (net) to EA for Flood & Coastal Erosion Risk Management IDB Precept (2nd of 2 payments – total payment due £105,154.00 in 2021/22).
- Items 142 – 146: Various to Mainstream Fisheries for EA subcontractor PSCA works on Horncastle Canal, River Bain, and Upper Bain. All recharged to the EA under the PSCA Agreement.
- Item 227: £2,000.00 (net) to PKF Littlejohn LLP for audit fees for 2020/21 AGAR.

Members received and NOTED the expenditure incurred in the two months from 01.11.21 to 31.12.21.

2957 Financial Performance Report 2021/22, P9 as of 31st December 2021.

The Director of Finance & Governance presented the Financial Performance Report to 31.12.21, month 9 of 2021/22, which had been circulated with the agenda. The summary position was:

	2021/22 Estimate	Profiled Budget	Actual	Variance
	£	£	£	£
Income	(1,372,291)	(1,311,249)	(1,558,402)	(247,153)
Board & General Admin	20,200	11,824	13,815	1,991
One Off Schemes	10,000	0	1,150	1,150
Conservation	2,000	1,461	518	(943)
Depot	31,510	25,489	30,532	5,043
Drains	586,660	424,409	420,832	(3,577)
Pumping Stations	232,530	141,706	171,908	30,202
Joint Admin/Witham House	153,288	177,040	188,641	11,601
Consents & Enforcement	14,842	30,755	29,488	(1,267)
Director of Operations/Engineers	104,004	89,659	88,245	(1,414)
Contribution to/(from) Reserves	0	0	10,400	10,400
PWLB				0
Rechargeable Works	110,000	103,471	264,077	160,606
EA Precept	107,257	107,258	105,154	(2,104)
FRS17 Pension Adjustment (net)				0
Wages & Plant Holding Account	0	20,633	(20,877)	(41,510)
(Surplus)/Deficit	0	(177,544)	(254,519)	(76,975)

The Board's budget was showing a positive variance of (£76,975) against budget. The anticipated profiled budget was a (£177,544) surplus at 31.12.21 with an actual surplus position as of 31.12.21 of (£254,519).

In relation to Income, Special Levies income from the three councils had been received in full (£841k) by early November 2021 as scheduled. Ongoing action was taking place against unpaid drainage rate accounts. The collection rate for Drainage Rates was 97.0% as of 31.12.21 (97.6% at the same point in 2020/21), with £193,065.09 collected to 31.12.21 and, after adjustments, a remaining £5,955.97 income outstanding to the Board. Final reminders had been issued. A court date set for 28th January 2022 had been cancelled, given the level of debt to the Board, and unpaid amounts would be rolled forward in 2022/23 drainage rates accounts invoices. All historical outstanding rating queries were resolved and only land transfers from in-year were being actioned.

PSCA Rechargeable Works were being undertaken again for the EA, with (£258k) having been invoiced to date for works to December. Further works in 2021/22 would be invoiced in March 2022.

Highland Water claims had been submitted to the Environment Agency, this being the balance of the actual costs incurred last year 2020/21 of (£52,824) due and 80% (£175,200) of the total estimated claim [£219,000] for 2021/22. This £228,024 total was paid in August 2021 by the EA.

The report set out bank balances and investments as at 31.12.21, as follows:

Natwest	£	329,229.12
Nationwide Instant Access	£	582,274.08
Nationwide 95 Day Notice	£	424,457.23
Total		<u>£ 1,335,960.43</u>

Members were reminded that this is the peak in bank balances during the year, with all main sources of income now received and no significant further income streams until May 2022 when further drainage rates income and Special Levies income are received. These balances will therefore steadily reduce over the next 3-5 months.

The projected financial year 2021/22 year-end position for 31.03.22 was then discussed. Electricity was a big cost determinant, but even with the 15% price increase from 01.10.21 costs were as predicted and would remain so unless we suffer a heavy rainfall event and usage increases markedly. The Board does though need to replace a failed penstock flood defence asset at Constables Bridge, Stixwold [the Director of Engineering & Technical Services was out to written tenders for this work] and whilst costs are yet unknown, the provisional pre-tender estimate of £40k is factored in. We also have the uncertainty of the PSCA winter works the EA has asked the Board to quote for are yet unconfirmed works. This uncertainty on several fronts means it is difficult to forecast accurately the 31.03.22 outturn position, but it is likely to be in the range of a (£50k) to (£80k) surplus position, to be deployed into reserves.

Members NOTED the 2021/22 financial performance report to 31st December 2021 and the forecast of a year-end surplus position as of 31.03.22.

2958 Budget Estimates for 2022/23.

A report setting out the proposed Estimates for 2022/23 had been circulated with the agenda and was presented by the Director of Finance and Governance. This needed to be read in conjunction with the following report on the agenda setting out the Annual Values, Drainage Rates and Special Levies for 2022/23 based on an assumed 5.00% increase in the Penny Rate as the two reports are complimentary.

Detailed work had been undertaken to review the actual income and expenditure in 2021/22 as of 31st December 2021. This position had then been used to inform the budgets for 2022/23, together with any known cost pressures, necessary developments and known savings. There had been discussion of proposals at Management Team and as discussed earlier, the approach had been supported at the JSC meeting on 13.12.21 and by the Board's Standing Committee on 11.01.22.

The summary Estimates position compared the 2021/22 approved Budget to the 2022/23 proposed Budget, showing variances.

The detailed Estimates showed:

- The Approved 2021/22 Estimates.
- The changes made for inflation and other factors.
- The Proposed 2022/23 Estimates

The summary of the Joint Services arrangements was provided for information, recommended for approval by the 4 Boards' JSC meeting on 13th December 2021. These costs have been allocated between the 4 Boards on the agreed proportions of 30% each to Upper Witham IDB and Witham Third DIDB and 20% each to Witham First DIDB and North East Lindsey IDB.

Preparing the 2022/23 Budget Estimates had been a challenge, given there are significant cost pressures which are externally driven and outside the control of the Boards. The 112 IDBs nationally are experiencing similar cost pressures and there has been much discussion with our membership body, ADA [the Association of Drainage Authorities] and with neighbouring IDBs about the impact of these cost pressures. Following the JSC meeting on 13.12.21 a letter containing much of the information was sent on 17.12.21 to all Special Levy paying councils, to advise them of the particularly challenging financial pressures for 2022/23.

Some of the cost pressures arising, due to Government legislation changes, included:

- National Insurance employer contribution rate increase of 1.25% from April 2022 [increases the contribution rate from 13.80% now to 15.05%]. A 9.1% increase in costs, in real terms.
- Cost of switching IDB operations from red diesel to white diesel from April 2022, a significant cost pressure for 2022/23. This is due to changes in the Finance Act 2021 and the removal of the exemption previously afforded to IDBs. This cost pressure has two elements for IDBs. Firstly, the increased cost of switching all our operations from red diesel to white diesel across plant, tractor/flails and excavators.
- Secondly, the increased unit price of white diesel [for budget purposes we have assumed £1.30 per litre pump price 2022/23, as IDBs reclaim VAT [effectively £1.08 per litre excluding VAT, rather than the previous unit price of £0.56 per litre for red diesel]. We do purchase fuel in bulk and test the market between suppliers. The combination of these factors has broadly doubled the fuel costs for the Boards, one of our most significant cost drivers. This issue has been subject to much discussion and ADA has lobbied Defra and HM Treasury, but in the absence of any clear exemptions IDBs nationally are planning to switch to white diesel from April 2022.

Cost pressures due to inflation, market changes and contractual arrangements include:

- Electricity costs [a significant cost driver]. All 4 Boards utilise the ESPO framework which had forward purchased to April 2022. However, we were notified in October 2021 of a 15% immediate price increase, fixed to October 2022, so only half of 2022/23. We have assumed a full year effect 15% rise in electricity costs, as no further information is available, but this may be understated.
- Insurance costs. The Boards are facing very significant challenges in procuring suitable insurance cover at realistic prices. In the current financial year 2021/22, we experienced a 48% increase in premium costs with reduced cover. We have assumed the renewal budget for July 2022 will be the costs as of July 2021 plus 5%. We are also looking at detail into our insurance arrangements with our advisors, The Risk Factor.
- Pay costs. Like Councils and the EA, the Board is facing significant retention and recruitment issues, particularly of front-line Operatives. As these are excavator and tractor drivers, some also holding HGV licences, we are losing staff to other sectors of the market. When we try to recruit, potential recruits have been enticed to remain with their current employer by the offer of increased pay. A pay award of 2.5% has been agreed and recommended by the ADA Lincolnshire Branch to the Boards for approval, and this is the pay costs increase assumed in draft 2022/23 budgets.
- In NELDB, we have assumed a 15% increase in costs of the new Maintenance Contract [tenders from potential suppliers due in 04.01.22]. However, potential contractors are facing the same issues of increased NI, staff recruitment and retention, move to red diesel and price increase of fuel, insurance increases, increases in purchase and maintenance of plant and equipment, so again this may be understated.
- Telemetry costs on 3 of the 4 Boards [not NELDB where a major upgrade was undertaken in 2020]. Copper landlines disappear in 2025. 2G and 3G will be switched off in 2023 and some of our existing Telemetry is currently reliant on this technology. Telemetry is integral to our operations to not only provide real time data on river levels but also to start/stop pumps remotely and monitor their performance (i.e., any faults, etc).

Currently a capital scheme Business Case for each of the 3 relevant Boards has been developed to seek funding from the Environment Agency, but if successful is likely to require a £10k budget contribution per Board [total costs estimate W1st £90k, W3rd £50k and UW £50k]. This is not currently budgeted separately, so is a cost pressure for 2022/23.

- Based on costs escalating on servicing and repairs and maintenance of plant and equipment, draft budgets have factored in significantly increased R&M/servicing budgets for 2022/23 to reflect actual costs.
- Pump lifts and refurbishments, in the light of recent costs experience we have had to increase the budget provision to continue undertaking 2 pump lifts per annum per Board, an important factor in our insurance conditions and in keeping our assets well maintained and reliable.
- General inflation. RPI hit 7.1% in November 2021 [CPI 5.1%], and we are seeing increased costs in many areas of the 4 Boards' spend.

In order to mitigate some of these cost pressure increases, where possible we have frozen budgets. Significantly, we have also deferred all our routine major plant purchases scheduled for 2022/23, which will have a further impact on our service and maintenance costs. Where capacity allows, we are also sharing staff and machines across the Boards to reduce external costs. We have reviewed our main spend areas and achieved savings for items such as mobile phones and by standardising supplier base across the 4 Boards. In terms of back-office functions and costs as a proportion of turnover, the 4 Boards have worked together in a voluntary partnership now since April 2017, considerably reducing management costs for each Board.

After much discussion between officers and with Members of the Standing Committee on 11th January 2022, a balanced budget position can be achieved for 2022/23 based on these assumptions and a recommended **5.00%** penny rate increase.

The following table set out the 'penny rate' increases that the Boards have set in recent years:

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Average
	%	%	%	%	%	%	%	%	
NEL					0.00%	1.00%	2.00%	2.00%	1.25%
UW	1.89%	1.75%	1.50%	1.25%	2.00%	2.00%	2.40%	2.50%	1.99%
W1	2.00%	1.75%	1.50%	0.00%	0.00%	0.00%	5.00%	2.50%	1.72%
W3	2.00%	1.75%	1.25%	0.75%	2.00%	0.50%	2.00%	2.50%	1.59%

Whilst the proposed penny rate increase is more significant than in previous years, without this the Board will not be able to set a balanced budget and secure its financial stability. Additionally, there will be the land movements from agricultural land to 'other developed land' under the Land Drainage Act 1991, which impact on each individual Special Levy paying Council. These land movements were set out in the following related report on the Agenda.

Pension Triennial Revaluation

The following table shows the Pension Contributions as certified by the Actuary for the Lincolnshire County Council Pension Fund Hymans Robertson:

Employer Pension Contribution Rates				
	NEL	UW	W1	W3
2020/21				
Primary %	20.7%	19.7%	19.3%	18.9%
Secondary £	£ 1,000	£ 51,000	£ -	£ 26,000
Overall % of Pay	23.3%	33.9%	19.3%	23.7%
2021/22				
Primary %	20.7%	19.7%	19.3%	18.9%
Secondary £	£ 1,000	£ 53,000	£ -	£ 26,000
Overall % of Pay	23.3%	33.9%	19.3%	23.7%
2022/23				
Primary %	20.7%	19.7%	19.3%	18.9%
Secondary £	£ 1,000	£ 54,000	£ -	£ 27,000
Overall % of Pay	23.3%	33.9%	19.3%	23.7%

The 2022/23 rates have been used in the compilation of this Board's as well as JSC Estimates for 2022/23. The next triennial revaluation starts in 2022/23 when revised rates will be issued for the next 3 years 2023/24 to 2025/26.

Insurance

It is likely that Boards will experience a further increase in insurance premiums when they are renewed in 2022/23 [July 2022], mainly due to the impact of the heavy rainfall events and associated flooding in Autumn 2019 and the COVID-19 pandemic which severely impacted on 2021/22 renewals in July 2021.

This Board currently has an insurance budget 2021/22 of £55,000 with current premium costs of £68,902. Based upon premiums for 2021/22 and advice from our risk and insurance advisors at The Risk Factor, it is likely that the insurance premiums for this Board will increase next year (5% has been assumed) and insurance covers may be reduced/restricted/removed. Therefore, the insurance budget has been rebased at £72k for 2022/23 (increased by £17k).

The insurance impact across the Boards was set out as:

	Budget 20.21	Actual 20.21	Budget 21.22	Actual 21.22	Budget 22.23	Budget Increase
	£	£	£	£		£
NEL	£ 15,450	£ 10,281	£ 15,450	£ 18,270	£ 20,000	£ 4,550
UW	£ 26,650	£ 30,976	£ 45,000	£ 53,313	£ 56,000	£ 11,000
W1	£ 22,730	£ 30,301	£ 35,000	£ 42,168	£ 44,000	£ 9,000
W3	£ 30,340	£ 51,081	£ 55,000	£ 68,902	£ 72,000	£ 17,000
	£ 95,170	£ 122,639	£ 150,450	£ 182,653	£ 192,000	£ 41,550

Income (£138k)

Increases in income received by the Board 2022/23 have been included for Drainage Rates (£10k) and Special Levies (£48k) on the assumed increase of **5.00%** in order to set a balanced budget 2022/23, maintain financial stability and to protect the baseline in line with inflation.

The Rechargeable works budget has been increased by (£62.5k) to reflect the likely level of rechargeable works income, including PSCA works. No written confirmation has been received yet as to the level of PSCA works to be requested by the EA for next financial year and so this is an income risk. However, in recent years there has been at least this level of Rechargeable Works income and so it seems a reasonable income assumption [the alternative being to place a greater increase on the Penny Rate than the 5.00%]. Correspondingly, the budget for rechargeable works expenditure has also been increased.

The Highland Water budget had been adjusted slightly by (£18k) to reflect the 2021/22 estimate submitted to the EA.

Board & General Administration £3k.

Minimal changes. Increase is for insurance.

'One Off' Schemes £0k

A £10k Budget has previously been established to undertake one off schemes during the year. A business case has been developed to submit to the EA for FDGIA funding towards a replacement telemetry scheme. Whilst the total costs will be £90k+ it is likely that through the grant mechanism only a modest Board contribution of up to £10k will be required. This will be met from this Budget in 2022/23. No change to this £10k budget.

Conservation £0

No changes.

Depot £2k

Rebased for Insurance.

Drains (£18k) /Pumping Stations £65k /Wages & Plant Holding Account £0k– Net £47k

Main increases are insurances £15k, Electricity (+15%) £9k, the inflationary increase for 2.5% pay award and associated increase in oncosts for the Operatives offset by 0.4 FTE reduction in staffing levels £5k (net). Rebased of fuel budgets to reflect the change over from red diesel to white diesel and the increased cost of fuel £31k. Rebased of service and maintenance budgets £20k.

The budget for Pump Lifts has been retained at £30k. This work is essential to ensure pumps are inspected on a regular basis and is a condition of our insurance policy.

Joint Services/Witham House £11k & Engineering Services £12k

The JSC on 13th December 2021 recommended the JSC Budgets to the 4 Boards for inclusion in each Board's detailed estimates. The summary JSC budgets were attached for information. The main variance is providing for 2.5% pay award, increments and associated oncosts, plus adjustments for inflation, etc.

Consents & Enforcement £0k

The cost of Consents & Enforcement Officer is fully met by income from recharges to Lincolnshire County Council (costs allocated across the 3 Boards and income received by 3 of the Boards). The Memorandum of Understanding has been extended until 31.03.22.

Contribution to Reserves/Contingency £0k

No contributions to or from Reserves is budgeted in 2022/23.

Rechargeable Works £62k

This reflects Staff time and machine costs for undertaking Rechargeable Work. This cost has been increased to reflect the additional PSCA income.

EA Precept £0k

An Inflationary increase of 2% for the IDB Precept paid to the EA each year is already included in base for 2021/22, but no increase was made. Therefore, this uplift remains in the budget for covering any increase agreed by the Anglian [Northern] RFCC in 2022/23.

Total of all the stated Variations above is £0k. On this basis a balanced budget can be achieved for 2022/23, based on the assumptions stated for 2022/23, with a 5.00% increase in the penny rate.

Funds and Reserves

Members have agreed a policy of holding a general 'Revenue Reserve' for emergencies of 10% to 15% of turnover and the balance held in 'earmarked reserves' for particular requirements.

It is proposed the fund balances be allocated on the following basis:

Reserve	2021/22 b/f £	2021/22 c/f £	2022/23 c/f £
Revenue Reserve	(242,291)	(242,291)	(242,291)
Plant & Machinery	(153,377)	(277,406)	(373,429)
Emergency events	(35,000)	(35,000)	(35,000)
Insurance	(35,000)	(35,000)	(35,000)
Pumping Stations	(210,871)	(210,871)	(210,871)
AWC Renewal	(165,049)	(180,098)	(195,147)
One off projects	(74,941)	(74,941)	(74,941)
Office IT Renewal	(11,119)	(13,899)	(1,679)
Balance	(927,648)	(1,069,506)	(1,168,358)

**Assumes year end balanced position for 2021/22.*

Revenue Reserve

This is the general 'contingency' reserve and will be utilised for any unexpected or emergency purposes which cannot be contained in the revenue budget. This assumes a balanced position on the Revenue Account at the end of this financial year 2021/22.

The 2022/23 balance is **16.04%** of turnover, so it is on the high side of the Board's approved Policy on Reserves of holding 10% to 15% of turnover. This will be reviewed when the actual position for 2021/22 31st March 2022 year-end is known as part of the Outturn report, which will be reported to the Board in May 2022.

Plant and Machinery

This reserve funds future purchases of Plant and Equipment and depreciation charges and sales income replenish this fund on an annual basis to fund future purchases. The reserve increases in 2022/23 as there are no planned purchases in 2022/23, and so it will be replenished providing no additional plant and machinery purchases are necessary outside the current programme.

Emergency Event

This reserve can be used for funding emergency expenditure incurred if a flooding event takes place, additional electricity usage is incurred at the pumping stations or for preventative/remedial action to help deal with emergency events.

Insurance

This reserve was established to offset some of the additional costs of insurance, whether through additional self-insurance or offsetting some of the additional premium costs.

Pumping Stations

This reserve can be used for maintaining the fabric, pumps, and other 'one off' spends required at pumping stations. This is judged as necessary given the age now of the fabric of the pumping station buildings and the pumps themselves.

AWC Renewal

This reserve will be utilised for the 'one-off' maintenance/replacement of Automatic Weed Cleaning systems. Not all the Board's pumping stations currently have AWC's. This reserve receives depreciation charges from the AWC's currently in place.

One Off Projects

This reserve helps to smooth expenditure between years for larger one-off schemes. The balance on the reserve is earmarked for upgrading telemetry £1.7k with the rest of the balance (£73k) currently unallocated.

	Contributions In	Transfer	Contributions Out	Balance
	£	£	£	£
Bardney Alleviation Scheme	(10,500)		10,500	0
Telemetry	(7,500)		5,800	(1,700)
Stixwould Pipe	(16,011)	£ 6,594	9,417	0
Ings Drain flap	(10,000)	-£ 5,103	15,103	0
Kirkstead Flood Wall	(75,000)	£ 71,750	3,250	0
Future Schemes	0	-£ 73,241		(73,241)
	(119,011)	0	44,070	(74,941)

Office IT Renewal

This reserve receives depreciation charges to help fund future replacement of the main office IT server. This is likely to be renewed in 2022/23, thus reducing the fund balance for its purchase at a level of circa £15k.

Following discussion, the Board APPROVED the financially balanced Estimates for 2022/23, based upon a 5.00% increase in the penny rate.

2959 Annual Value, Drainage Rates & Special Levies 2022/23

A report had been circulated with the agenda and was presented by the Director of Finance and Governance.

The report set out the Annual Values to be agreed as part of the formal setting of the Drainage Rates and Special Levies, before 15.02.22 for the financial year 2022/23.

Annual Values

The Annual Values start with those brought forward from last year's rate setting, with then the movements required for land that has been developed and therefore comes out of Drainage Rates and is allocated to Special Levies for the appropriate Council.

The Annual Values as at 31st December 2020 were:

	Annual Values 31.12.19 £	Land Transfers 2020 £	Annual Values 31.12.20 £
Drainage Rates	2,022,733	(17,567)	2,005,166
City of Lincoln	2,776,055	0	2,776,055
East Lindsey DC	3,627,396	84,780	3,712,176
West Lindsey DC	2,192,609	19,002	2,211,611
Total	10,618,793	86,215	10,705,008

The land movements between 01.01.21 and 31.12.21 that require transfer from Drainage Rates to Special Levy were detailed. Land is transferred at the development rate of £4,287.44 per hectare.

Area ha	Parish	Council	Developed for
-0.282	Goulceby	ELDC	Residential Dwelling
-0.987	Kirkstead	ELDC	Cycleway
-11.331	Stixwold	ELDC	Cycleway
-0.247	Barlings	WLDC	Residential Dwelling

This results in the following Annual Values as at 31st December 2021:

	Annual Values 31.12.20 £	Land Transfers 2021 £	Annual Values 31.12.21 £
Drainage Rates	2,005,166	(157)	2,005,009
City of Lincoln	2,776,055	0	2,776,055
East Lindsey DC	3,712,176	54,021	3,766,197
West Lindsey DC	2,211,611	1,059	2,212,670
Total	10,705,008	54,923	10,759,931

'Penny Rates'

The following 'penny rates' will be applicable if the 5.00% increase proposed is agreed:

	Penny Rate (pence)
Current	9.6720
Proposed	10.1556

Drainage Rates

This increase to the 'penny rate' will net increase the amount of income to the Board generated from Drainage Rates from £193,940 in 2021/22 to £203,621 (+£9,681) in 2022/23.

Special Levies

The proposed 5.00% increase to the 'penny rate' will have the following impact on Special Levies including the rebasing of the Annual Values for the land transfers for each Council, as follows:

	Current £	Proposed £	Difference £	Increase %
City of Lincoln	268,500.04	281,925.04	13,425.00	5.00
ELDC	359,041.66	382,479.88	23,438.22	6.53
WLDC	213,907.02	224,709.91	10,802.89	5.05
TOTAL	841,448.72	889,114.83	47,666.11	5.66

In summary, income to the Board increases by a net total of £57,347 (being an increase of £47,666 in Special Levy and a net increase in Drainage Rates of £9,681).

Following discussion Members were content to APPROVE:

- 1. The transfer of land from Drainage Rates to Special Levy as set out.**
- 2. The land valuations as at 31st December 2021 upon which Drainage Rates and Special Levies are calculated is set at £10,759,931.**
- 3. The 'penny rate' is increased from 9.6720 pence to 10.1556 pence (+5.00%) for 2022/23.**
- 4. The Special Levies 2022/23 be agreed for each of the 3 relevant Councils as:**
 - City of Lincoln £281,925.04**
 - East Lindsey District Council £382,479.88**
 - West Lindsey District Council £224,709.91**
- 5. The Chairman and Chief Executive be authorised to sign the 'Rate Book', apply the seal of this Board and publicise the revised penny rates, estimated Drainage Rates and Special Levies for 2022/23 before 15.02.22.**

2960 Health and Safety Report.

A Health and Safety update had been circulated with the agenda and was presented by the Director of Operations.

Covid-19

Operatives are coming to the end of the 2021 summer maintenance programme and plan to start winter maintenance shortly. This will bring some social distancing challenges, as the Operatives must work in closer proximity to one another when undertaking bushing / chipping work and piling work. The changing guidance expected on 27th January 2022 will determine what changes are to be made in working practice.

We have had 2 confirmed cases of Covid-19 within the team and 1 Operative is suffering with lung problems following Covid-19 in October 2021 and has been signed off work now for several weeks until 27.01.22.

Our guidance to office staff remains the same: to work from home wherever possible in line with current national guidance, and measures remain in place to make the office accessible

to a limited number of staff at any one time. The office is open to members of the public and unauthorised visits, by prior arrangement. These arrangements and the risk assessments are reviewed weekly at the Management Team Meetings and changes in national guidance is kept under review. The expected changes on 27th January 2022 will be considered by SMT.

Accidents.

One accident has been reported. This involved an Operative slipping whilst wheeling a pressure washer on a slight incline at Upper Witham's Coulson Road pumping station. The Operative twisted his knee, resulting in muscle damage. This became Riddor reportable as the Operative had more than 7 days off work due to the injury. The Operative is now back at work and undertaking a full range of duties.

Complaint.

Witham Third received a complaint from a member of the public. The basis of the complaint was that two of the Board's tractor/flail drivers acted inappropriately when approaching two people on horseback, on the public highway outside Woodhall Spa near the Village Limits pub. The horses reacted to the approaching vehicles, and the flashing lights on them, to the point that the rider of one of the horses was struggling to control it.

The complaint was that one of the tractor drivers did not stop soon enough, he only stopped when the horse was almost in contact with the tractor, the second driver did stop a good distance away and waited for the riders to pass. The complaint also stated that neither driver turned off their flashing beacons.

This incident was investigated by Wayne Bourne (Works Supervisor) with the support of Sarah Walden (HR Advisor). They took statements from all parties involved and looked at what the Highway Code says on the subject and reviewed the 4 Boards' driving policy.

The outcome of their investigation was that the driver should have stopped in plenty of time and not kept driving, the use of beacons is to warn other road users that the vehicles are large pieces of equipment, the question was asked would the Emergency Services turn off their flashing lights when approaching a horse and rider.

The recommendation from the case investigators was that the driver that failed to stop soon enough has training based around being courteous to other road users, recognising the Operatives' role as ambassadors for the Boards when out in the community. They also recommended that we review our driving policy to include horses and riders and that we undertake toolbox talks to all our Operatives regarding courteous road use. The flashing beacon element of the complaint was not upheld, they are used for a reason and other road users have flashing beacons. The turning off beacons whilst still moving would potentially be a dangerous act, as to locate the switches may cause the driver to take their eyes off the road.

The second Operative was found to have nothing to answer, as he did stop a good distance from the horse riders and left them to safely negotiate safe passage around the tractor/flail. Many complaints are resolved informally before progressing to a stage 1 complaint. This one is highlighted to Board members as there were issues to review arising from it and lessons to be learned.

Safe Piling in Watercourses.

We are still awaiting delivery of the whacker plate we have had converted to undertake piling duties safely, arising from issues raised by our Operatives and seeking to make a safe modification.

Training.

The NPORS Wheeled Excavator training started on the 08th November overseen by XRE training, most Operatives needing this training have now received it. First Aid training runs out on the 26th February, so this will be organised before then for all those that need training. This will be emergency first aid at work with defib and chainsaw wounds training added to the training module. Manual Handling training is also going to be booked for early February.

Defibrillators.

The defibrillators owned by the Boards and housed at each Depot, and some located in designated vehicles, have had the pads replaced as they had reached their expiry date.

Members received, discussed and NOTED the Health and Safety report and update.

2961 Operations Report.

The Operations Report had been circulated with the agenda and was presented by the Director of Operations, Ian Coupland.

Operatives are in the final stages of summer maintenance in Upper Witham, Witham First and Witham Third. In North East Lindsey's drainage district, Carnaby's have finished the summer programme. And, across all the Boards we are preparing for winter maintenance work to start shortly.

Witham Third's winter programme comprises bushing work on the Barlings, reforming of Minting/Gautby Drain and the moving of a flood bank on Monks Drain. The Monks Drain works is extensive and due to the watercourse being very deep and continually slipping, causing the bank to become too narrow to safely work from. Guy Hird and Ian Coupland had met with the landowner and have agreement to allow the Board to move the bank back and to install a berm just above normal water level. This is the most cost-effective approach to repairing the flood bank and gaining a safer work platform.

Red Diesel use in Tractors.

The statement below had not changed.

The Red / White diesel issue is still being actively addressed by ADA and other parties. As it stands at this time, we have kept our excavators on red and our tractors that are not used for haulage on red. Keeping the tractors on red is a slight risk as Customs and Excise have confirmed that travelling from one site to another or flailing or weed cutting a watercourse in a City, Town or Village would never be classed as an agricultural duty. But to put the infrastructure in place i.e., purchase fuel bowsers on each Board so we can fuel red, and white is not affordable or practical when it looks like we will have to put everything on white diesel from April 2022. We can then flush our current bowsers and tanks out and we are just delivering one fuel again. If we do not get the agricultural classification and dispensation, it is going to be open season on our machines left on site overnight.

This issue is a major cost pressure for 2022/23 budget estimates, covered elsewhere on the agenda, both in terms of the costs of conversion to running plant on white diesel and thereafter the ongoing additional costs of running on white diesel rather than red,

Supplies, Plant and Machinery.

We are still experiencing some difficulty in delivery times for parts and machinery, and prices for most items regularly increase. The Repairs and maintenance budgets have been overstretched in this financial year 2021/22 and we have uplifted relevant R&M budgets to be more realistic for 2022/23.

Plant and Machinery

The Board has taken delivery of the new Herder tree clipper at the Board's Woodhall Spa Depot. This was in the approved plant replacement programme for 2021/22 and has come in at a net cost of £16,950.00. This will be put to good use this winter during our winter maintenance programme.

Marsh Lane Pumping Station

Marsh Lane has had both pumps overhauled and reinstated, and these are working well. The weed screen ropes have also been replaced, as reported previously they had been picked up on an insurance inspection as needing replacing. We are currently waiting for a new Hoist drum to be delivered and fitted by ID spares, as this has failed.

Dogdyke Pumping Station

Dogdyke weed screen cleaner has also had to have the wire ropes that lift and lower the grab replaced.

Greetwell Pumping Station

No update at present on the transformer slab repairs.

Stamp End Pumping Station

Still waiting for LCC to respond to our request for the station to be put in order before hand-over to the Board for a commuted sum. Delay in the legal work to achieve this due to change in ownership of land adjacent to the pumping station and an easement agreement now needed with Cadent rather than Western Power, say respective solicitors.

PSCA Works 2021/22 for the EA.

The Board has been asked by the EA not to undertake the last flailing cuts of the year due to the flood banks being very wet. Quotes have been submitted to the EA for some winter maintenance work on North East Lindsey, Upper Witham and Witham Third Boards. We are currently waiting to hear if the EA do indeed wish to commission the winter works and for confirmation of purchase orders. We do raise with the EA that these late confirmations for work do not enable us to plan works efficiently.

Regular meetings with the EA are held, the last being on 07.01.22, and requests made for early confirmation of these winter works and for the early list of watercourses for future summer maintenance well ahead of the season starting. This is important for operational planning with Operatives and machines, and in terms of income.

As 2021/22 maintenance works [excluding winter works] were not confirmed until July 2021 and we therefore were not able to undertake some early cuts, we are stressing the need for early confirmation of orders for 2022/23, ahead of April 2022 and in accordance with the written PSCA Agreement.

Members received and NOTED the Operations report and update.

2962 Engineering Report.

The Engineering Services Report had been circulated with the agenda and was presented by the Head of Technical & Engineering Services, Guy Hird.

Flood Events.

There had been no flood events on which to report.

Multi agency Rain Gauge Project (JA-5378-2020-ASS)

Officers are exploring on behalf of all four Boards whether to be involved with this multi-agency scheme. Potential partners across Greater Lincolnshire are the 3 Lead Local Flood Authorities [LLFAs] namely Lincolnshire County Council, North Lincolnshire Council and North East Lincolnshire Council. Other partners include Anglian Water and other Internal Drainage Boards (but not the EA). The scheme is proposed to be part funded by the Anglian (Northern) RFCC Local Levy and a draft bid was submitted by Lincolnshire County Council in November 2020. The proposal is to have 'live' web-based rainfall data available to partners during heavy rainfall events and historic data for post event investigations including the LLFA led Section 19 investigations. Approximately 50 sites would be located across the area hosted by partners in appropriate secure sites which potentially could be the Boards' Pumping Stations. However, we need to understand more about locations, potential ongoing maintenance costs for which the Boards may be liable etc before agreeing to participate in what is currently an expression of interest stage project. There has been no change since the May meeting and information is awaited from Anglian Water. Although the RFCC Local Levy funding has been confirmed for the project it has proved difficult to move the project forward and commit to, some potential partners have already dropped out. The project is being reviewed.

Lincolnshire Local Resilience Forum (LRF) (JA-1400-2014-ORG)

A meeting was held on 19th November 2021 which was primarily concerned with the ongoing Covid 19 situation. In addition to the main meetings the 'LRF Flood Group' subgroup met on 02nd September, the agenda included 'FloodEx2022' which is a significant regional exercise taking place in September 2022 involving all the LRFs along the Trent Catchment as well as all the East Coast LRFs covering both Tidal and Fluvial Flooding. The exercise will test the interaction between LRFs including the Humber which is also looking at a tidal breach south of the Humber. It will give an opportunity to consider how we engage with the LRF(s) and the exercise to maximise protection of the districts, reduce the impact of flooding and potentially have access to national resources for future events.

A small number of Section 19 Investigation information requests from Lincolnshire County Council have been responded to, and it is known that there are still a large number outstanding.

Five Section 19 reports from Lincolnshire County Council have been received and commented on, none of which affect the Board's interests:

Witham 3rd DIDB

- TD-5871-2021-FLD Tor-O-Moor Road Woodhall Spa
- TD-4650-2019-FLD - S19-220 West Street, Horncastle
- TD-5881-2021-FLD - S19-211 Churchill Avenue, Horncastle

Witham 3rd DIDB extended area

- TE-4800-2019-FLD - Witham Road, Woodhall Spa

The fifth being in Upper Witham IDB extended area, UE-5466-2021-FLD - S19-320 Willingham by Stow.

Drainage and Wastewater Management Plan (DWMP) (JA-5170-2020-PRO)

The Drainage and Wastewater Management Plan (DWMP) is a project lead by Anglian Water to improve the lives of people and the environment, in the East of England over the long-term. It will use it to plan for investment in drainage, treatment and sewerage systems. This

collaborative and long-term strategic plan will highlight the known and expected future risks to drainage and treatment and identify the solution strategies to mitigate.

The DWMP is a long-term plan covering 2025-2050, looking at the risks in 2025, 2030, 2035 and 2050. There have been several general meetings starting in January 2020 but now catchment specific meetings are being held. On 12th October there was a meeting looking at the catchments of Louth and Horncastle which was attended by Internal Drainage Boards, ELDC and the EA. Following the survey meetings, a focus group for Internal Drainage Boards to get the best out of the process is due to be held on 19th January 2022.

Further information can be found on this website

<https://www.anglianwater.co.uk/about-us/our-strategies-and-plans/drainage-and-wastewater-management-plan/>

Telemetry upgrade for Upper Witham IDB, Witham 1st DIDB and Witham 3rd DIDB

An opportunity has come up following successful FDGiA grant funding schemes for other Boards within Lincolnshire to upgrade Telemetry systems. Georgina Nichols, Capital Projects Officer for our 4 IDBs and 3 other Lincolnshire Boards, is working on a Business Case for upgrading the systems for 3 of the 4 Witham & Humber Boards [not NELDB who had to switch telemetry provider 2 years ago] which would need to upgrade their telemetry systems in the next couple of years as 2G and 3G is switched off and copper lines are discontinued.

The proposed system is from Xylem, a multinational company including the diversion that was formally known as Flygt. The system is the web based 'VTScada' installed successfully in NELDB pumping stations and several other stations across the Witham Boards.

The previous generation server based 'AquaView' system is currently used for existing Upper Witham stations with telemetry, two Witham 3rd stations and one Witham 1st station will require upgrades for the equipment on site to enable communication to the web-based system. All other stations across the Boards will require new equipment picking up existing telemetry ready provision were available and new connections as required.

The following table showed the current costs for the schemes and the expected range of contributions from the Boards with the final figures to be determined on completion of the 3 Outline Business Cases:

	Equipment Cost (Xylem)	Project Management	Funding Officer Post	Contingency @20%	Total Scheme	Board Contribution
	£'000	£'000	£'000	£'000	£'000	
UW	88	10	5	18	121	£1k - £6k
W1	114		5	24	143	£5k - £10k
W3	90		5	20	115	£6k - £11k
	292	10	15	62	379	

Gautby & Minting Beck, Minting (TD-4297-2018-DRA)

The Board is reevaluating this scheme and considering if there are any works that can be undertaken or afforded. In the meantime, further repair works to the existing timber revetments will be undertaken, as in July 2020, as they are required to maintain flow in the channel. An inspection was undertaken on 17th January 2022 which found the structure to be

in fair condition with no obstruction to the flow of water and no real change from the last repairs were carried out. Currently no further repairs are required.

Willingham Fen Marina Project (TD-3733-2017-PLN)

Willingham Fen Marina Project is also known as Cherry Marina, the landowner continues to construct the earth banks that form the Marina and is actively looking for a house builder to partner with. Discussions are ongoing to ensure the Board's interests are protected.

In partnership with the developer of the proposed marina, it is proposed to create a hydraulic model of the catchment served by Shortferry and Greetwell pumping stations. As previously reported, the construction of the marina will create two separate catchments, each served by either an existing pumping station, Shortferry, or a new proposed station provided as part of the development.

The model will enable the Board, in partnership with the developer, to demonstrate the hydraulic effects of the marina and to enable the design of the new pumping station. It will also enable the Board to:

- confirm the long-term needs of the pumping capacity at Short Ferry / Fiskerton
- model any future adverse effects of a failure within the Stainfield Fen catchment through its New Cut connection, and
- model the effects of flows brought in to the system by the Reepham Brook overspill weir.

Output information from the model will also be offered to the Environment Agency to form part of their Lower Witham Resilience Project.

The value of the work required to survey the Board maintained channels and create the hydraulic model is £25,000. The cost of this work would be split 50:50 with the developer of the marina site.

To enable this project to proceed the Board was asked to suspend paragraph 9.1 of its Financial Regulations requiring 3 written tenders for such work. Due to the nature of the work and to expedite the work programme it was proposed to invite two tenders from companies known and previously used by the Boards: Jeremy Benn Associates and Stantec. This was approved.

Constables Bridge Penstock Replacement, Stixwold Engine Drain.

The existing penstock which has reached the end of its useful life, failed, is beyond repair and requires replacing. It is situated on the Board maintained watercourse Stixwold Engine Drain and forms the boundary between the two pumped catchments of Southrey and Duckpool Pumping Stations.

A Tender has been sent to four potential Contractors to undertake to replace the existing penstock, to include for the removal and disposal of the existing structure and the provision, delivery and fixing of the new penstock to the existing headwall. Closing date is the 30th January 2022.

Monks Drain Embankment realignment (TD-5557-2021-DRA)

A long section of the Board maintained Monks Drain has extensive slips, because there is an embankment to the rear there is a large batter on the south bank, the weight of the embankment contributes to the instability and slips forming. Because the whole 770m length

of the embankment is subject to instability and slips the cost to provide a hard engineering solution is prohibitive.

The landowner was approached and agreed to allow the embankment to be re-profiled and moved to back. This would allow for a low-level maintenance berm adjacent to the watercourse reducing the weight affecting the instability of the south bank. In addition to top of the bank will be increased as a safety measure.

It is proposed to undertake the works as part of the winter maintenance programme 2022.

The report was received and NOTED.

2963 Planning and Consultations Report.

A report had been circulated with the agenda and was presented by the Head of Engineering & Technical Services.

The Board had received several consultations and had commented on various planning applications to the various planning authorities. A full schedule was provided where responses included no objections or minor standard comments referring to soakaways the requirement for consents.

There was one issue to highlight to members:

Erection of 165no. dwellings with associated garages, erection of a pumping station and construction of a vehicular and pedestrian access. Land North Off Mareham Road, Horncastle

No development should be commenced until the Local Planning Authority, in consultation with the Lead Local Flood Authority has approved a scheme for the provision, implementation and future maintenance of a surface water drainage system.

The Board has no objection to the proposed development provided it is constructed in accordance with the submitted details and Drainage Strategy. However, should anything change in relation to the method of surface water disposal and/or in relation to the flood risk assessment etc then this Board would wish to be reconsulted. It is noted the discharge rate is 12 l/s and it is positive to see that the recommendation to discharge directly to Thunker Drain is included.

Corrections in the Drainage Strategy

- 2.8 States Thunker Drain is maintained by the Internal Drainage Board – this is incorrect the watercourse is riparian, and maintenance is likely to be the responsibility of the land owner.
- 2.8 and others States Witham First District Internal Drainage Board – this is incorrect the Internal Drainage Board for the area is Witham Third District Internal Drainage Board.

A permanent undeveloped strip of sufficient width should be made available adjacent to the top of the bank of all watercourses on Site to allow future maintenance works to be undertaken. Suitable access arrangements to this strip should also be agreed. Access should be agreed with the Local Planning Authority, LCC and the third party that will be responsible for the maintenance.

All drainage routes through the Site should be maintained both during the works on Site and after completion of the works. Provisions should be made to ensure that upstream and downstream riparian owners and those areas that are presently served by any drainage routes passing through or adjacent to the Site are not adversely affected by the development. Drainage routes shall include all methods by which water may be transferred through the Site and shall include such systems as "ridge and furrow" and "overland flows". The effect of raising Site levels on adjacent property must be carefully considered and measures taken to negate influences must be approved by the Local Planning Authority.

Comment and information to Agent/Applicant

Within the Witham Third District Internal Drainage Board under the terms of the Land Drainage Act. 1991 the prior written consent of the Board is required for any proposed temporary or permanent works or structures within any watercourse including infilling or a diversion. Including the outfall to Thunker Drain.

Outside the Witham Third District Internal Drainage Board area under the provisions of the Flood and Water Management Act 2010, and the Land Drainage Act. 1991, the prior written consent of the Lead Local Flood Authority (Lincolnshire County Council) is required for any proposed works or structures in any watercourse outside those designated main rivers and Internal Drainage Districts. At this location this Board acts as Agents for the Lead Local Flood Authority and as such any works, permanent or temporary, in any ditch, dyke or other such watercourse will require consent from the Board.

2964 Consents and Enforcements Report.

The Consents and Enforcements Report had been circulated with the agenda and was presented by the Head of Technical & Engineering Services.

A date is shown when a consent has been given, or an enforcement issue closed.

Byelaw Consent Applications

None received

Section 23 Land Drainage Act Consent Applications – District

None received

Section 23 Land Drainage Act Consent Applications – Extended Area

The Board acts as Agent for Lincolnshire County Council, the Lead Local Flood Authority

Reference	Location	Applicant	Details	Date
TE-5840-2021-CON	100m SW of A46 Nettleham Road roundabout, Lincoln	Lindum Group	Temporary, 60weeks minimum, site to compound access culvert	10-11-21

Enforcement Issues – District

Reference	Location	Description / Comments	Actions
TD-5799-2021-ENF	St Andrews C of E Primary School, King Edward Crescent, Woodhall Spa LN10 6RQ.	Drain the runs and the back of the school, potential problem with the culvert	The school are undertaking investigations. Closure to be considered if no further update/contact.
TD-5808-2021-ENF	Lincoln Road Horncastle	Blocked culverted watercourse causing flooding in garden/outbuildings	Site visited and property owners spoken to re riparian responsibilities. AJET have also attended site and property owners will continue with work to install inspection chambers, repair any broken pipes and remove any blockages.

Enforcement Issues – Extended Area

Reference	Location	Description / Comments	Actions
TE-5567-2021-ENF	Woodlands Cottage, Wellsyke Lane, Roughton/ Kirkby on Bain, Woodhall Spa	Flooding Issues with culvert under highway	Some of the landowners have commenced the task of required clearing of the watercourse and LCC culvert works are due to commence in April, 2022.
TE-5872-2021-ENF	Lowfield Lane, Belchford.	Potential obstruction near to main route bridge.	Site visited and ditches either side of the culvert possibly require some works

			prior to culvert being jettied.
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Members received and NOTED the report on Consents and Enforcement cases.

2965 Any Other Business.

There being no further items of business, the meeting closed at 11.44.

2966 Date, Time and Place of the Board's Next Meeting.

The Board's next meeting was confirmed for Wednesday, 25th May 2022 * at 09.30am, format and venue TBC.

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Jul Chairman *26-5-22* Date
W3rd B.M. 25.01.22.

***NB:** Board meeting date subsequently rearranged to **Thursday, 26th May 2022** at 09.30am.

