

BLACK SLUICE INTERNAL DRAINAGE BOARD

I M Warsap
Chief Executive

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Our Ref: IMW/DW/B10

Your Ref:

Date: 8th December 2015

To the Chairman and Members of the Executive Committee

Notice is hereby given that a Meeting of the Executive Committee will be held at the Offices of the Board on Tuesday 15th December 2015 at 10am at which your attendance is requested.



Chief Executive

AGENDA

1. Apologies for absence.
2. To receive and if correct sign the Minutes of the Executive Meeting held on 21st October 2015 (**pages 1 - 6**).
3. Matters Arising.
4. To consider Period 8 Management Accounts (**pages 7 - 9**).
5. To consider the 2016/17 Budget and Ten Year Projections (**pages 10 - 19**).
6. To consider the 2016/17 Objectives. (**pages 20-21**)
7. To receive a verbal update on the Black Sluice Catchment Consultation (Environment Agency & BSIDB Joint Position Statement for the Black Sluice Catchment (**pages 22-26**).
8. Any Other Business:
 - a. Increase in Flyswat costs (**page 27**).
 - b. External Audit Arrangements (**pages 28-33**).

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of a meeting of the Executive Committee

held at the Offices of the Board on
21st October 2015 at 11am

Members

Chairman - * Mr M J Scott

* Cllr P Bedford	* Cllr M Brookes
* Mr R Leggott	* Mr K C Casswell
* Mr J R Wray	

* Member Present

In attendance: Mr I Warsap (Chief Executive)
Mr D Withnall (Finance Manager)

828 APOLOGIES FOR ABSENCE

There were no apologies for absence.

829 DECLARATIONS OF INTEREST

There were no declarations of interest.

830 MINUTES OF THE LAST MEETING

Minutes of the last meeting held on 3rd June 2015, copies of which had been circulated, were considered and it was agreed that they should be signed as a true record.

831 MATTERS ARISING

(a) EA Asset Transfer - Minute No 755(c)

Mr Leggott asked if there had been any progress engaging Matt Warman MP. The Chief Executive informed the Committee that he had visited the Board and was particularly interested in two items in his area in relation to drainage boards and these were the Steeping River project and the Black Sluice catchment works asset transfer proposals. He has requested that we keep him informed with the progress and if we felt we could use him for anything to contact him.

(b) Unaudited Financial Statements - Minute No 756

The Finance Manager informed the Committee that there had been a mistake on the notes to the Revenue account on the Un-audited financial statements that had been discovered by a Councillor from South Kesteven District Council. This related to the Special Levy for South Kesteven District Council and North Kesteven District Council being recorded the wrong way round. This has been corrected on the website.

831 (b) Cont.....

The South Kesteven figures have now been reconciled back to the 1993 revaluation.

(c) New Members Induction Day - Minute No 763(c)

The Chief Executive informed the Committee that a Members Induction had been conducted on 29th July but some new members couldn't make that date.

As we also have a new elected member joining the Board on 1st November it was suggested that a New Member Induction and Members Refresher Training session could be held before the Board meeting on 4th November with a buffet lunch being provided in between.

The Committee thought this was a good idea and asked the Officers to make the arrangements.

(d) Election - Minute No 763(d)

The Finance Manager informed the Committee that the results of the election had been published and the new Board would be formed with one new member, Nicholas Scott is District B replacing Mr M J Scott on 1st November.

832 TO RECEIVE THE PERIOD 6 MANAGEMENT ACCOUNTS & FORECAST - Agenda Item 4

The Finance Manager presented the Period 6 management accounts and forecast highlighting the following;

- Rates and Levies were being collected as expected and at the time of the meeting there were only twelve ratepayers remaining on the court list.
- Schemes were progressing as expected and should be within budgets at year end. There is an additional claim to be submitted to the Environment Agency for the Wyberton catchment improvement scheme resulting from the Tidal Surge breach in December 2013.
- Pumping Station Maintenance is within budgets helped substantially by the savings in the insurance premium as included at agenda item 7.
- Drain Maintenance is showing very favourable as a substantial amount of Grant work was completed at the beginning of the year whilst we also had two members of staff off work on long term sick. It is expected this will be rectified following the cutting season now we are back to almost full strength staff wise.
- Administration and Establishment is over spent compared to budget due to the £23,500 additional business rates that have had to be paid to Boston Borough Council this year and a timing issue with equipment purchases.
- Overall the Boards position is favourable compared to budget due to the Rechargeable profit included.

- The Finance Manager drew particular attention to the amount of funds currently held in the Natwest Reserve Account at £1,270,944 and the higher than expected general reserves contributed to at greater than expected levels from the 2014/15 accounts.

The Committee reviewed the second quarter forecast and noted that the Rechargeable profit and additional Business Rates charges were the two items impacting on the expected outcome at year end resulting in a £44,636 surplus.

833 TO CONSIDER THE FIRST DRAFT OF THE 10 YEAR ESTIMATES - Agenda Item 5

The Chairman noted that the forecast figures discussed at Agenda Item 4 had been used to produce the first draft of the ten year estimates.

The Committee noted that the levels of reserves were substantially higher than they would have liked but acknowledged that this was primarily due to the excess surplus in the previous year due to the additional works required following the tidal surge funded by the Environment Agency.

The Finance Manager explained that at this stage the figures included were using the increases in the penny rate agreed when the current year's rate was sealed with an inflationary increase of 2%. This draft is produced to give the Committee an overview to issue guidance to the Board's Officers as to how they want to develop the next year's budget.

The budget will be developed over the coming months with a more detailed proposal presented at the next meeting of the committee.

834 TO CONSIDER THE 8 YEAR PLANT ESTIMATES - Agenda Item 6

The Chief Executive presented the eight year plant account estimates and for 2016/17 was proposing the purchase of a 3rd Twiga/Energreen machine to replace the John Deere. With a commitment from the Environment Agency that they will continue to contract to us the current maintenance on main rivers for next year, and a favourable indication for future years, it is felt that this would be a sustainable purchase. The number of machines could then be reviewed when the first Energreen was due for replacement in 4 years time.

The amount generated for the current year and the next two have been increased from £120,000 to £145,000 to account for this increase which reflects where the plant account is currently compared to last year with an additional 10 hours overtime being completed by the workmen each week.

Mr Leggott asked if we were happy with the reliability of the current Energreen/Twiga machines and the Chief Executive explained that there is currently an issue with the bracket of the new Twiga that holds the arm when it travels down the road cracking but this is a known issue and is being repaired under warranty.

The Chief Executive further informed the Committee that it is intended to replace the JCB 220 like for like next year and the Committee noted that this appeared to be good value compared to the other machines. It was explained that this is due to no modifications being required to this machine as the smaller excavators have telescopic arms fitted to make them suitable for cutting works.

835 TO CONSIDER THE BOARD'S INSURANCE ARRANGEMENTS - Agenda Item 7

The Finance Manager explained to the Committee that details of the Board's insurance had been emailed to the Committee whilst negotiations were taking place and the change of supplier to Towergate Insurance Brokers was approved by email. The Audit and Risk Committee had also discussed the proposal as negotiations were taking place as a restricted agenda item.

Details of the negotiated premium was presented in the agenda papers and the Finance Manager explained that as the motor policy proposal was late being received due to the change of broker he had taken the decision to continue with fully comprehensive cover hours before the renewal was due. The other option was to insure as a motor policy third party and then insure the plant, machinery and vehicles on a separate Contractors Plant Insurance. The savings would have been substantial in the region of £2,500 but it did not sit comfortably and considering the additional hassle of making two claims for any incident, and the additional excesses for windscreens it seemed better to stay on a fully comprehensive basis. This could be reviewed for the 30th September 2016 renewal.

The Chief Executive informed the Committee that we were currently using a Structural Engineer to review the structures of the Pumping Stations for possible future replacement requirements in mind.

836 TO CONSIDER UPDATE ON EA BLACK SLUICE CATCHMENT PUBLIC CONSULTATION - Agenda Item 8

The Chief Executive informed the Committee on the progress of the Black Sluice Catchment Consultation and that the Environment Agency are still receiving responses even though the consultation is closed.

The Chief Executive has had the privilege of reviewing the responses and they are generally all supportive of the Board's preferred options for the Black Sluice Pumping Station, Lower and Upper catchments.

The Chief Executive, Operations Manager and Vice-Chairman hosted a meeting last week with representatives from the Environment Agency and Lincolnshire County Council to discuss how we would progress in the Black Sluice Catchment in the future. From the meeting there was a belief from the Environment Agency and Lincolnshire County Council that there are funding opportunities that could be explored from an agricultural point of view and both parties offered to assist the Board in applying for this funding.

On a more disappointing note was that only £30 million to £35 million worth of benefits were currently available in the Black Sluice Lower Catchment for the next fifty years.

Deborah Campbell of the Environment Agency and the Chief Executive have been tasked with producing a positive statement to be presented at the December LCC Scrutiny Committee meeting and the RFCC meeting next week that both the Chief Executive and Finance Manager will be attending.

It is a possibility, and portrayed to the people present at the meeting as the Board's preferred option, that under the Public Sector Cooperation Agreement that the Board continue to maintain the entire Main River system in the Black Sluice Catchment and the EA are also considering if this could include the Black Sluice Pumping Station transferring their Pumping Station Engineer over to the Board.

The Chairman feels that we are in a good positive position now compared to the initial position that the Environment Agency were just going to walk away from the Black Sluice Pumping Station.

The Chief Executive informed the Committee that funds have now been secured to commence the full survey of the South Forty Foot Drain.

837 REVIEW OF SALARIES - Agenda Item 9

It was agreed and thereby RESOLVED to exclude the public from the next part of the meeting due to the confidential nature of the business to be transacted, in accordance with section 2 of the Public Bodies (Admission to Meetings) Act 1960.

838 ANY OTHER BUSINESS - Agenda Item 10

(a) Lincolnshire Resilience Forum Information Sharing Agreement

The Finance Manager informed the Committee of a document received from the Lincolnshire Resilience forum that was to formalise the current data sharing agreements. This was for emergency and emergency planning purposes and would be signed on behalf of Lincolnshire Drainage Boards by the Chairman and Secretary of the Lincolnshire ADA Branch.

(b) Swineshead Development

The Chief Executive gave a brief overview of a planning application that was being progressed on land adjacent to the Boards Offices and Depot.

(c) Solar Panels

The Finance Manager informed the Committee that he had been investigating the possibility of installing solar panels on our pumping stations as directed at the last Board meeting.

In addition to the three suggested stations he has also looked into all the three pump pumping stations, except Ewerby as it is smaller, and four of the larger 2 pump stations. Based on initial ambitious indications, assuming 3 pump stations could take a 10kw system and 2 pump stations a 4kw system an initial capital outlay of £124,000 would be required with an estimated return period of 8.2 years to complete all twelve sites. Over the 20 year period that the FIT payments would be made, this would equate to an estimated 13.75% annual return rate. Compared to the current rate of 1.25% we are recovering on our £300,000 investment with Monmouthshire Building Society this is clearly going to produce substantially more income for the Board over the long term.

The Committee felt that this was a positive proposal and instructed the Finance Manager to finalise the proposals to present to the Board on 4th November for approval as the installations would have to be complete and registered by 31st December 2015 when the FIT rate substantially reduces and would make the installation unviable.

(d) ADA National Subscriptions

The Chief Executive informed the Committee that it is the intention of National ADA to increase subscriptions by 5% next year. The Committee felt that the subscriptions paid to ADA are good value for money and beneficial to the Board.

(e) Personnel Matters

The Chief Executive informed the Committee that we have recently taken on four new employees in the workforce and they were all performing well with three of them on flail mowers.

There being no further business the meeting closed at 12:45pm

Black Sluice Internal Drainage Board
Project Summary
2015/16
Period 08 - November 2015

	2015/16 Current Period	2015/16 Actual YTD	2015/16 Budget	Actual / Budget Variance	2015/16 Forecast	Actual / Forecast Variance	2014/15 Actual YTD	2014/15 Variance
Rates & Levies	32,251	1,549,881	1,466,220	83,661	1,525,600	24,281	1,524,099	25,783
Interest & Grants	178,473	199,158	3,336	195,822	20,577	178,581	5,888	193,270
Other Income	671	34,894	21,851	13,043	23,011	11,883	224,944	(190,050)
Rechargeable Profit	8,600	68,707	0	68,707	0	68,707	12,130	56,578
Solar Panel Income	0	0	0	0	0	0	0	0
Total Income	219,994	1,852,641	1,491,407	361,234	1,569,188	283,453	1,767,061	85,581
Schemes	0	105,956	95,000	(10,956)	65,720	(40,236)	84,688	(21,268)
Pumping Station Schemes	2,618	36,976	36,000	(976)	75,355	38,379	81,523	44,547
Pumping Station Maintenance	24,315	130,142	207,071	12,858	194,254	41	135,263	(2,877)
Electricity	10,458	64,071	207,071	12,858	194,254	41	56,072	18,568
Drain Maintenance	66,612	430,587	491,563	60,976	438,485	7,898	472,282	41,695
Environmental Schemes	73	3,576	19,177	15,601	18,473	14,897	8,600	5,025
Administration & Establishment	35,061	314,077	292,980	(21,097)	316,851	2,774	331,765	17,688
EA Precept	0	138,276	138,276	0	138,276	0	138,276	0
Solar Panel Expenses	33,416	33,416	0	(33,416)	0	(33,416)	0	(33,416)
Total Expenditure	172,552	1,257,077	1,280,067	22,990	1,247,414	(9,663)	1,308,470	69,961
Surplus / (Deficit)	47,442	595,564	211,340	384,224	321,774	273,790	458,591	136,974
Movement on reserves								
Development Reserve	(4,999)	(4,999)	0	4,999	0	4,999	0	4,999
Plant Reserve	(12,007)	(129,531)	(89,652)	39,879	(89,652)	39,879	(89,470)	40,061
Wages oncost Reserve	7,821	30,558	0	(30,558)	0	(30,558)	8,110	(22,447)
Surplus / (Deficit)	56,626	699,536	300,992	369,905	411,426	259,471	539,950	114,361

Black Sluice Internal Drainage Board
Income & Expenditure Summary
2015/16

Period 08 - November 2015

	2015/16	2014/15	Variance
Drainage Rates	1,027,029	1,010,041	16,988
Special Levies	522,853	514,058	8,795
Recoverable	139,523	60,548	78,975
Misc Income	240,244	231,591	8,653
	1,929,649	1,816,238	113,410
Employment Costs	654,861	607,959	(46,901)
Property	137,861	122,412	(15,450)
General Expenses	127,693	134,713	7,020
Materials / Stock	51,469	31,513	(19,956)
Motor & Plant	104,837	161,501	56,664
Miscellaneous	607,034	201,597	(405,438)
Recharges	(748,024)	(252,085)	495,939
Plant	294,381	268,679	(25,702)
Total Expenditure	1,230,113	1,276,289	46,176
Net Surplus / (Deficit)	699,536	539,950	159,586

Black Sluice Internal Drainage Board

Balance Sheet at Period End

2015/16

Period 08 - November 2015

	<u>2015/16</u>		<u>2014/15</u>	
	£	£	£	£
Operational Land & Buildings Cost	737,739		937,739	
Pumping Stations Cost	3,861,354		3,861,354	
Non-operational Property Cost	90,000		90,000	
Vehicles, Plant & Machinery Cost	600,990		501,970	
Fixed Assets		5,290,083		5,391,063
Stock	31,365		26,040	
Debtors Cont	23,816		5,766	
VAT	24,405		41,003	
Grants Debtor	(1,621)		(33,880)	
Car Loans	6,587		0	
Prepayments	44,932		30,609	
Draw Acc	(13,059)		(21,738)	
Call Acc	310,000		310,000	
Petty Cash	375		205	
Rechargeable Work in Progress	62,197		(22,714)	
Natwest Government Procurement C	(941)		(877)	
Reserve Account	1,134,124		832,215	
Total Current Assets		1,622,179		1,166,629
Trade Creditors	3,612		(5,028)	
PAYE & NI Control Account	(15,108)		(15,258)	
Superannuation Contrl Account	(15,619)		15,763	
Union Subs Control Account	(124)		(138)	
AVC Control Account	(50)		(50)	
Accruals	(63,173)		(10,000)	
Attachment Orders Control Account	0		0	
Suspense	0		0	
Total Liabilities		(90,462)		(14,711)
Pension Liability		(3,264,000)		(2,919,000)
		3,557,800		3,623,981
Capital Outlay	5,080,536		5,291,278	
Pension Reserve	(3,264,000)		(2,919,000)	
Total Capital		1,816,536		2,372,278
General Reserve	669,501		344,335	
Development Reserve	142,316		146,100	
Plant Reserve	181,585		119,275	
Wage On-Cost Reserve	48,327		102,043	
Surplus/Deficit in Period	699,536		539,950	
Total Reserves		1,741,264		1,251,703
		3,557,800	0	3,623,981
<u>Cash & Bank Balances</u>				
Drawings Account		(13,059)		
Call Account		10,000	310,000	
Natwest Reserve Account @ 0.15%		1,134,124		
Petty Cash		375		
Chargecard		(941)		
Monmouthshire BS @ 1.10%		300,000	30 Day Notice	
		1,430,499		

BLACK SLUICE INTERNAL DRAINAGE BOARD
EXECUTIVE COMMITTEE – 15th DECEMBER 2015

AGENDA ITEM No 5

2016/17 BUDGET AND TEN YEAR ESTIMATES

Introduction

When setting the 2015/16 Budget in February 2015 the aim was to maintain rate increases at a stable level resulting in the general reserve being 20% of the annual expenditure at the ten year point 2024/25. This was achieved, at the direction of the Executive Committee, after the budget had been produced by reducing the spend on Drain Capital Schemes by £20,000 for 2015/16 and 2016/17.

In October 2015 the Executive Committee directed that the budget for 2016/17 should be produced initially using the previously agreed penny rate increases.

Since that meeting representations from Boston Borough Council and South Holland District Council have indicated that they would be appreciative of no increases owing to the continuing restraints and reductions on their budgets from Central government.

Options

Three initial options have been produced as a starting position after assessing the levels on funding required to maintain the current level of service.

Option 1 - Penny Rate increase as previously agreed by the Executive Committee

Option 2 - No Penny rate increase in 2016/17 and then the rate increase as previously agreed by the Executive Committee

Option 3 - A level increase spread over a Ten year period to maintain reserves at 20% in the tenth year

Option 1 - Penny Rate increase as previously agreed by the Executive Committee

This option maintains the Penny Rate increase at an average of 1.76% over the ten year period and would maintain reserves at just over 30% of expenditure level for the entire ten year period. The £20,000 reduction in Capital Drain Schemes is still applied for 2016/17 but re-introducing it would have little effect over the 10 year period.

To maintain these proposals an option may be to apply inflationary increases to the Capital spend over the ten year period and at 2% would result in the Reserve levels being reduced to 20.44% in 2025/26 as previously indicated as being a suitable level. This would increase Capital spending from 2015/16's level of £215,000 to £281,000 in 2025/26.

This increase in the penny rate would have the following impact on the Special Levies, not allowing for any land moved to domestic/commercial valuations;

Boston Borough Council	+£13,173.45
South Holland District Council	+£ 2,183.03
North Kesteven District Council	+£ 1,051.40
South Kesteven District Council	+£ 1,013.02

Option 2 - No Penny rate increase in 2016/17 and then the rate increase as previously agreed by the Executive Committee

This option has been produced to show the impact of not increasing the rate in 2016/17 and then maintaining the average increase of 1.76% as previously agreed. This would result in the General Reserve reducing to a level below 20% of expenditure in the seventh year 2022/23 and would be as low as 14.96% in the tenth year which wouldn't be in line with the current policy and even further from the guidance in the Practitioners guide which recommends three to twelve month income (25% - 100% of Expenditure).

To achieve the 20% target in the tenth year, 2025/26, the penny rate increase would need to be increased to 1.89% for the remaining nine year period.

Other options include;

1. Including for a rechargeable profit in the budget. It is normal for small profits to be achieved when the Board has taken on all risk works but this income is not guaranteed from one year to the next. Work that is not contracted out on an all risk basis or as part of the Public Sector Cooperation Agreement is charged out at cost + 5% administration charge. £12,500 per annum would be required to achieve 20% in year ten.
2. Further reduce the Capital Spend on drains. The £20,000 reduction would need to be extended for seven further years.
3. Cap drain maintenance at a lower level. Summer cutting has been increased to reflect the slightly higher costs experienced this year whilst the winter cleansing work has been maintained at previous budget levels as this has not been used to its full effect in the last few years due to the amount of Grant funding received. Reduction to a level of £700,000 in 2016/17 maintaining the 2% inflationary increases would achieve the 20% target in year ten.

Option 3 - A level increase spread over a Ten year period to maintain reserves at 20% in the tenth year

This Option would reduce the increase to the lowest possible level spread over the ten year period resulting in a reserve balance as close to 20% of expenditure as possible. This shows average increases of 1.55% being required.

This increase in the penny rate would have the following impact on the Special Levies, not allowing for any land moved to domestic/commercial valuations;

Boston Borough Council	+£11,377.07
South Holland District Council	+£ 1,855.34
North Kesteven District Council	+£ 908.03
South Kesteven District Council	+£ 874.88

Summary

It is not necessary to take an option in its entirety and there are many options inbetween those that have been presented. A summary of the last fifteen years Financial Statements have been included for information purposes.

BLACK SLUICE INTERNAL DRAINAGE BOARD

2016/17 Budget and 10 Year Estimates

3rd Draft - OPTION 1

Income	Actual 2014/15	Budget 2015/16	Forecast @ P06 2015/16	Budget / Estimates									
				2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Total Income from Rates and Levies	1,994,799	2,026,625	2,029,121	2,069,350	2,105,197	2,142,673	2,180,150	2,219,256	2,258,361	2,297,467	2,338,202	2,378,938	2,421,302
Interest	4,525	5,000	5,733	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975
Flood Defence Grant in Aid	574,000												
Contribution Development Fund	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other Income	237,414	22,645	28,079	24,845	25,342	25,849	26,366	26,893	27,431	27,980	28,539	29,110	29,692
Rechargeable Profit	22,187		43,282										
TOTAL INCOME	2,837,925	2,059,270	2,111,216	2,104,195	2,140,639	2,178,724	2,216,822	2,256,561	2,296,312	2,336,077	2,377,485	2,418,906	2,461,970

Expenditure	Actual 2014/15	Budget 2015/16	Forecast @ P06 2015/16	Budget / Estimates									
				2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Drain Schemes	566,319	115,000	115,721	115,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Pumping Station Schemes	188,046	100,000	98,628	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Pumping Station Maintenance	206,142	370,000	369,677	370,000	377,400	384,948	392,647	400,500	408,510	416,680	425,014	433,514	442,184
Electricity	117,547												
Drain Maintenance	623,522	688,000	688,119	711,500	725,730	740,245	755,049	770,150	785,553	801,265	817,290	833,636	850,308
Environmental Works	15,797	30,000	29,357	30,000	30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150	35,853
Administration & Establishment	518,835	465,200	488,527	479,200	488,784	498,560	508,531	518,701	529,076	539,657	550,450	561,459	572,688
EA Precept	276,552	276,552	276,552	276,552	282,083	287,725	293,479	299,349	305,336	311,442	317,671	324,025	330,505
TOTAL EXPENDITURE	2,512,760	2,044,752	2,066,579	2,082,252	2,139,597	2,177,689	2,216,543	2,256,174	2,296,597	2,337,829	2,379,886	2,422,783	2,466,539

SURPLUS / (DEFICIT) IN YEAR	325,165	14,518	44,636	21,943	1,042	1,035	279	388	(285)	(1,752)	(2,401)	(3,877)	(4,569)
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OPENING BALANCE	344,335	669,500	669,500	602,751	637,681	651,970	666,517	680,577	695,023	709,076	721,950	734,467	745,806
Solar Panels			-111,385	12,987	13,247	13,512	13,782	14,058	14,339	14,625	14,918	15,216	15,521
CLOSING BALANCE	669,500	684,018	602,751	637,681	651,970	666,517	680,577	695,023	709,076	721,950	734,467	745,806	756,757
Reserve % of Expenditure	26.64%	33.45%	29.17%	30.62%	30.47%	30.61%	30.70%	30.81%	30.88%	30.88%	30.86%	30.78%	30.68%

RATE	12.30	12.48	12.48	12.70	12.92	13.15	13.38	13.62	13.86	14.10	14.35	14.60	14.86
Increase in Rates		1.46%	1.46%	1.76%	1.73%	1.78%	1.75%	1.79%	1.76%	1.73%	1.77%	1.74%	1.78%

Special Levies
OPTION 1

Year	Penny Rate	BBC	SHDC	NKDC	SKDC	TOTAL
1997/98		£ 583,043.43	£ 103,007.88	£ 39,067.67	£ 41,741.99	£ 766,860.97
1998/99	11.10	£ 584,772.64	£ 103,103.34	£ 43,721.35	£ 43,121.39	£ 774,718.72
1999/00	11.10	£ 587,287.46	£ 104,110.46	£ 43,840.66	£ 47,603.24	£ 782,841.82
2000/01	11.10	£ 588,628.67	£ 104,225.00	£ 44,391.90	£ 47,736.88	£ 784,982.45
2001/02	10.50	£ 561,327.16	£ 100,106.05	£ 42,247.49	£ 45,156.51	£ 748,837.21
2002/03	10.70	£ 588,793.21	£ 103,244.86	£ 44,086.14	£ 46,446.70	£ 782,570.91
2003/04	11.00	£ 615,425.03	£ 105,279.79	£ 46,094.51	£ 48,153.49	£ 814,952.82
2004/05	11.20	£ 638,336.38	£ 107,292.75	£ 47,748.96	£ 49,029.01	£ 842,407.10
2005/06	11.20	£ 640,187.63	£ 107,793.61	£ 48,594.22	£ 50,346.13	£ 846,921.59
2006/07	11.30	£ 648,330.72	£ 109,045.22	£ 51,095.55	£ 50,895.20	£ 859,366.69
2007/08	11.40	£ 668,616.61	£ 111,635.18	£ 52,214.39	£ 51,345.60	£ 883,811.78
2008/09	11.70	£ 690,152.81	£ 114,723.88	£ 54,516.62	£ 53,836.38	£ 913,229.69
2009/10	12.00	£ 709,724.64	£ 118,050.00	£ 56,458.92	£ 55,216.80	£ 939,450.36
2010/11	12.15	£ 721,161.43	£ 119,669.36	£ 57,532.92	£ 55,907.01	£ 954,270.72
2011/12	12.15	£ 722,448.60	£ 119,669.36	£ 58,065.82	£ 55,946.25	£ 956,130.03
2012/13	12.15	£ 723,855.69	£ 120,238.83	£ 58,065.82	£ 55,946.25	£ 958,106.60
2013/14	12.15	£ 724,806.55	£ 120,406.01	£ 58,065.82	£ 55,946.25	£ 959,224.64
2014/15	12.30	£ 734,008.65	£ 122,051.18	£ 58,782.68	£ 56,636.95	£ 971,479.46
2015/16	12.48	£ 747,293.91	£ 123,837.29	£ 59,642.92	£ 57,465.78	£ 988,239.91
2016/17	12.70	£ 760,579.38	£ 126,929.52	£ 60,694.32	£ 58,478.80	£ 1,006,682.01

Total Increase	£ 13,285.46	£ 3,092.22	£ 1,051.40	£ 1,013.02	£ 16,760.45
Rate Increase	£ 13,173.45	£ 2,183.03	£ 1,051.40	£ 1,013.02	£ 14,216.77
Valuation Increase	£ 112.01	£ 909.19	£ -	£ -	£ 2,543.67
Total % Increase	1.81%	2.53%	1.79%	1.79%	1.90%

BLACK SLUICE INTERNAL DRAINAGE BOARD

2016/17 Budget and 10 Year Estimates

3rd Draft -OPTION 2

Income	Actual 2014/15	Budget 2015/16	Budget / Estimates										
			Forecast @ P06 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Total Income from Rates and Levies	1,994,799	2,026,625	2,029,121	2,033,503	2,069,350	2,105,197	2,142,673	2,180,150	2,219,256	2,258,361	2,297,467	2,338,202	2,378,938
Interest	4,525	5,000	5,733	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975
Flood Defence Grant in Aid	574,000												
Contribution Development Fund	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other Income	237,414	22,645	28,079	24,845	25,342	25,849	26,366	26,893	27,431	27,980	28,539	29,110	29,692
Rechargeable Profit	22,187		43,282										
TOTAL INCOME	2,837,925	2,059,270	2,111,216	2,068,348	2,104,792	2,141,248	2,179,345	2,217,455	2,257,207	2,296,971	2,336,750	2,378,170	2,419,606

Expenditure	Actual 2014/15	Budget 2015/16	Budget / Estimates										
			Forecast @ P06 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Drain Schemes	566,319	115,000	115,721	115,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Pumping Station Schemes	188,046	100,000	98,628	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Pumping Station Maintenance	206,142	370,000	369,677	370,000	377,400	384,948	392,647	400,500	408,510	416,680	425,014	433,514	442,184
Electricity	117,547												
Drain Maintenance	623,522	688,000	688,119	711,500	725,730	740,245	755,049	770,150	785,553	801,265	817,290	833,636	850,308
Environmental Works	15,797	30,000	29,357	30,000	30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150	35,853
Administration & Establishment	518,835	465,200	488,527	479,200	488,784	498,560	508,531	518,701	529,076	539,657	550,450	561,459	572,688
EA Precept	276,552	276,552	276,552	276,552	282,083	287,725	293,479	299,349	305,336	311,442	317,671	324,025	330,505
TOTAL EXPENDITURE	2,512,760	2,044,752	2,066,579	2,082,252	2,139,597	2,177,689	2,216,543	2,256,174	2,296,597	2,337,829	2,379,886	2,422,783	2,466,539

SURPLUS / (DEFICIT) IN YEAR	325,165	14,518	44,636	(13,904)	(34,805)	(36,441)	(37,198)	(38,718)	(39,390)	(40,858)	(43,136)	(44,613)	(46,933)
OPENING BALANCE	344,335	669,500	669,500	602,751	601,834	580,276	557,347	533,930	509,270	484,218	457,986	429,768	400,371
Solar Panels			-111,385	12,987	13,247	13,512	13,782	14,058	14,339	14,625	14,918	15,216	15,521
CLOSING BALANCE	669,500	684,018	602,751	601,834	580,276	557,347	533,930	509,270	484,218	457,986	429,768	400,371	368,958
Reserve % of Expenditure	26.64%	33.45%	29.17%	28.90%	27.12%	25.59%	24.09%	22.57%	21.08%	19.59%	18.06%	16.53%	14.96%

RATE	12.30	12.48	12.48	12.48	12.70	12.92	13.15	13.38	13.62	13.86	14.10	14.35	14.60
Increase in Rates		1.46%	1.46%	0.00%	1.76%	1.73%	1.78%	1.75%	1.79%	1.76%	1.73%	1.77%	1.74%

Special Levies
OPTION 2

Year	Penny Rate	BBC	SHDC	NKDC	SKDC	TOTAL
1997/98		£ 583,043.43	£ 103,007.88	£ 39,067.67	£ 41,741.99	£ 766,860.97
1998/99	11.10	£ 584,772.64	£ 103,103.34	£ 43,721.35	£ 43,121.39	£ 774,718.72
1999/00	11.10	£ 587,287.46	£ 104,110.46	£ 43,840.66	£ 47,603.24	£ 782,841.82
2000/01	11.10	£ 588,628.67	£ 104,225.00	£ 44,391.90	£ 47,736.88	£ 784,982.45
2001/02	10.50	£ 561,327.16	£ 100,106.05	£ 42,247.49	£ 45,156.51	£ 748,837.21
2002/03	10.70	£ 588,793.21	£ 103,244.86	£ 44,086.14	£ 46,446.70	£ 782,570.91
2003/04	11.00	£ 615,425.03	£ 105,279.79	£ 46,094.51	£ 48,153.49	£ 814,952.82
2004/05	11.20	£ 638,336.38	£ 107,292.75	£ 47,748.96	£ 49,029.01	£ 842,407.10
2005/06	11.20	£ 640,187.63	£ 107,793.61	£ 48,594.22	£ 50,346.13	£ 846,921.59
2006/07	11.30	£ 648,330.72	£ 109,045.22	£ 51,095.55	£ 50,895.20	£ 859,366.69
2007/08	11.40	£ 668,616.61	£ 111,635.18	£ 52,214.39	£ 51,345.60	£ 883,811.78
2008/09	11.70	£ 690,152.81	£ 114,723.88	£ 54,516.62	£ 53,836.38	£ 913,229.69
2009/10	12.00	£ 709,724.64	£ 118,050.00	£ 56,458.92	£ 55,216.80	£ 939,450.36
2010/11	12.15	£ 721,161.43	£ 119,669.36	£ 57,532.92	£ 55,907.01	£ 954,270.72
2011/12	12.15	£ 722,448.60	£ 119,669.36	£ 58,065.82	£ 55,946.25	£ 956,130.03
2012/13	12.15	£ 723,855.69	£ 120,238.83	£ 58,065.82	£ 55,946.25	£ 958,106.60
2013/14	12.15	£ 724,806.55	£ 120,406.01	£ 58,065.82	£ 55,946.25	£ 959,224.64
2014/15	12.30	£ 734,008.65	£ 122,051.18	£ 58,782.68	£ 56,636.95	£ 971,479.46
2015/16	12.48	£ 747,293.91	£ 123,837.29	£ 59,642.92	£ 57,465.78	£ 988,239.91
2016/17	12.48	£ 747,403.99	£ 124,730.74	£ 59,642.92	£ 57,465.78	£ 989,243.42

Total Increase	£	110.07	£	893.44	£	-	£	-	£	16,760.45
Rate Increase	£	-	£	-	£	-	£	-	£	14,216.77
Valuation Increase	£	110.07	£	893.44	£	-	£	-	£	2,543.67
Total % Increase		0.01%		0.73%		0.00%		0.00%		0.10%

BLACK SLUICE INTERNAL DRAINAGE BOARD

2016/17 Budget and 10 Year Estimates

3rd Draft -OPTION 3

Income	Actual 2014/15	Budget 2015/16	Budget / Estimates										
			Forecast @ P06 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Total Income from Rates and Levies	1,994,799	2,026,625	2,029,121	2,064,462	2,097,050	2,129,638	2,162,226	2,196,444	2,230,661	2,264,879	2,300,726	2,336,573	2,372,420
Interest	4,525	5,000	5,733	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975
Flood Defence Grant in Aid	574,000												
Contribution Development Fund	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other Income	237,414	22,645	28,079	24,845	25,342	25,849	26,366	26,893	27,431	27,980	28,539	29,110	29,692
Rechargeable Profit	22,187		43,282										
TOTAL INCOME	2,837,925	2,059,270	2,111,216	2,099,307	2,132,492	2,165,689	2,198,898	2,233,749	2,268,612	2,303,489	2,340,009	2,376,541	2,413,088

Expenditure	Actual 2014/15	Budget 2015/16	Budget / Estimates										
			Forecast @ P06 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Drain Schemes	566,319	115,000	115,721	115,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Pumping Station Schemes	188,046	100,000	98,628	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Pumping Station Maintenance	206,142	370,000	369,677	370,000	377,400	384,948	392,647	400,500	408,510	416,680	425,014	433,514	442,184
Electricity	117,547												
Drain Maintenance	623,522	688,000	688,119	711,500	725,730	740,245	755,049	770,150	785,553	801,265	817,290	833,636	850,308
Environmental Works	15,797	30,000	29,357	30,000	30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150	35,853
Administration & Establishment	518,835	465,200	488,527	479,200	488,784	498,560	508,531	518,701	529,076	539,657	550,450	561,459	572,688
EA Precept	276,552	276,552	276,552	276,552	282,083	287,725	293,479	299,349	305,336	311,442	317,671	324,025	330,505
TOTAL EXPENDITURE	2,512,760	2,044,752	2,066,579	2,082,252	2,139,597	2,177,689	2,216,543	2,256,174	2,296,597	2,337,829	2,379,886	2,422,783	2,466,539

SURPLUS / (DEFICIT) IN YEAR	325,165	14,518	44,636	17,055	(7,105)	(12,000)	(17,645)	(22,424)	(27,985)	(34,340)	(39,877)	(46,242)	(53,451)
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OPENING BALANCE	344,335	669,500	669,500	602,751	632,793	638,935	640,447	636,583	628,217	614,570	594,856	569,897	538,871
Solar Panels			-111,385	12,987	13,247	13,512	13,782	14,058	14,339	14,625	14,918	15,216	15,521
CLOSING BALANCE	669,500	684,018	602,751	632,793	638,935	640,447	636,583	628,217	614,570	594,856	569,897	538,871	500,940
Reserve % of Expenditure	26.64%	33.45%	29.17%	30.39%	29.86%	29.41%	28.72%	27.84%	26.76%	25.44%	23.95%	22.24%	20.31%

RATE	12.30	12.48	12.48	12.67	12.87	13.07	13.27	13.48	13.69	13.90	14.12	14.34	14.56
Increase in Rates		1.46%	1.46%	1.52%	1.58%	1.55%	1.53%	1.58%	1.56%	1.53%	1.58%	1.56%	1.53%

Special Levies
OPTION 3

Year	Penny Rate	BBC	SHDC	NKDC	SKDC	TOTAL
1997/98		£ 583,043.43	£ 103,007.88	£ 39,067.67	£ 41,741.99	£ 766,860.97
1998/99	11.10	£ 584,772.64	£ 103,103.34	£ 43,721.35	£ 43,121.39	£ 774,718.72
1999/00	11.10	£ 587,287.46	£ 104,110.46	£ 43,840.66	£ 47,603.24	£ 782,841.82
2000/01	11.10	£ 588,628.67	£ 104,225.00	£ 44,391.90	£ 47,736.88	£ 784,982.45
2001/02	10.50	£ 561,327.16	£ 100,106.05	£ 42,247.49	£ 45,156.51	£ 748,837.21
2002/03	10.70	£ 588,793.21	£ 103,244.86	£ 44,086.14	£ 46,446.70	£ 782,570.91
2003/04	11.00	£ 615,425.03	£ 105,279.79	£ 46,094.51	£ 48,153.49	£ 814,952.82
2004/05	11.20	£ 638,336.38	£ 107,292.75	£ 47,748.96	£ 49,029.01	£ 842,407.10
2005/06	11.20	£ 640,187.63	£ 107,793.61	£ 48,594.22	£ 50,346.13	£ 846,921.59
2006/07	11.30	£ 648,330.72	£ 109,045.22	£ 51,095.55	£ 50,895.20	£ 859,366.69
2007/08	11.40	£ 668,616.61	£ 111,635.18	£ 52,214.39	£ 51,345.60	£ 883,811.78
2008/09	11.70	£ 690,152.81	£ 114,723.88	£ 54,516.62	£ 53,836.38	£ 913,229.69
2009/10	12.00	£ 709,724.64	£ 118,050.00	£ 56,458.92	£ 55,216.80	£ 939,450.36
2010/11	12.15	£ 721,161.43	£ 119,669.36	£ 57,532.92	£ 55,907.01	£ 954,270.72
2011/12	12.15	£ 722,448.60	£ 119,669.36	£ 58,065.82	£ 55,946.25	£ 956,130.03
2012/13	12.15	£ 723,855.69	£ 120,238.83	£ 58,065.82	£ 55,946.25	£ 958,106.60
2013/14	12.15	£ 724,806.55	£ 120,406.01	£ 58,065.82	£ 55,946.25	£ 959,224.64
2014/15	12.30	£ 734,008.65	£ 122,051.18	£ 58,782.68	£ 56,636.95	£ 971,479.46
2015/16	12.48	£ 747,293.91	£ 123,837.29	£ 59,642.92	£ 57,465.78	£ 988,239.91
2016/17	12.67	£ 758,782.73	£ 126,629.68	£ 60,550.94	£ 58,340.66	£ 1,004,304.02

Total Increase	£ 11,488.82	£ 2,792.39	£ 908.03	£ 874.88	£ 16,760.45
Rate Increase	£ 11,377.07	£ 1,885.34	£ 908.03	£ 874.88	£ 14,216.77
Valuation Increase	£ 111.75	£ 907.05	£ -	£ -	£ 2,543.67
Total % Increase	1.57%	2.29%	1.54%	1.54%	1.65%

Black Sluice Internal Drainage Board

Summary of Financial Statements

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Income															
Drainage Rates	903,964	857,400	882,589	900,739	917,140	917,460	924,323	924,617	948,334	979,502	999,102	1,003,274	1,008,959	1,011,213	1,023,319
Scheme Levies	784,983	748,837	782,571	814,953	842,407	846,922	859,367	863,812	913,230	939,450	954,271	956,130	958,107	959,225	971,479
Income from Rechargeable Works	81,715	62,935	146,698	86,004	42,535	76,925	53,770	54,709	124,240	51,688	82,803	153,731	154,012	271,771	186,956
Interest	48,178	38,176	31,633	28,409	44,981	42,920	47,077	50,858	25,563	10,386	10,464	10,586	9,705	4,340	4,525
DEFRA Grant	40,941	120,966	127,688	39,435	53,906	12,532	0	7,858	18	18	-	10,127	32,916	236,032	574,000
Sundry Income	27,348	58,951	34,078	210,689	26,007	16,558	22,451	20,954	15,404	16,385	10,395	13,941	14,538	13,865	224,969
Development Fund Contribution	-	-	-	-	-	38,581	30,080	15,000	41,344	10,000	31,952	5,000	5,000	5,000	5,000
Rental Income	-	-	-	-	-	5,888	5,888	10,140	8,938	10,140	10,144	10,096	10,175	8,188	12,445
	1,887,129	1,887,265	2,005,257	2,080,229	1,926,976	1,951,898	1,937,068	1,955,838	2,084,911	2,017,579	2,099,131	2,162,885	2,193,412	2,511,634	3,002,684
Expenditure															
Drain Maintenance	490,017	521,519	525,802	565,872	565,390	566,576	633,284	611,619	676,304	632,564	605,485	606,946	712,299	679,510	623,522
Scheme Works	352,754	476,499	429,940	276,946	277,776	292,113	267,756	336,717	222,038	248,248	238,555	532,851	141,570	492,592	801,120
Precept - Environment Agency	272,182	266,685	287,895	331,959	324,447	310,303	290,282	285,449	252,252	276,552	276,552	276,552	276,552	276,552	276,552
Administration Staff Costs	216,864	217,659	239,711	244,326	255,098	267,869	279,737	282,001	294,226	289,404	343,205	367,423	430,055	312,135	305,718
Pumping Costs	283,408	254,954	277,239	251,155	283,396	295,550	258,545	358,630	383,548	329,053	286,242	237,198	427,193	358,172	323,689
Cost of Rechargeable Works	68,058	54,689	140,844	73,583	35,359	66,942	53,013	50,221	122,426	50,337	73,870	155,188	108,704	196,398	164,769
Establishment Charges	43,546	54,631	66,693	35,145	64,394	70,444	51,378	50,886	77,567	80,226	77,662	91,638	95,670	82,852	60,477
Depot Costs	58,516	61,245	56,179	59,590	80,771	85,729	78,926	69,624	78,375	68,873	56,865	60,908	59,366	50,525	70,405
Miscellaneous Charges	45,035	31,371	12,634	38,431	40,861	32,741	28,932	32,324	16,688	22,004	40,946	16,853	21,219	16,431	35,479
Environmental Schemes	-	-	-	-	-	24,901	27,255	24,973	14,298	32,738	36,926	29,940	10,821	15,612	15,797
Development Fund Costs	-	-	-	-	-	-	-	15,000	41,344	-	-	-	-	-	-
Adjustment on restating Accounts	-	-	-	-	-	-	-	-	-	13,360	-	-	-	-	-
	1,850,380	1,939,252	2,036,937	1,876,907	1,927,492	2,013,168	1,969,108	2,117,444	2,179,066	2,043,359	2,036,309	2,375,498	2,283,450	2,480,879	2,677,528
General Reserve b/f	772,370	809,119	757,132	725,452	928,774	928,258	866,988	834,948	673,342	579,187	553,407	616,229	403,616	313,578	344,333
Surplus / (Deficit)	36,749	(51,987)	(31,680)	203,322	(516)	(61,270)	(32,040)	(161,606)	(94,155)	(25,780)	62,822	(212,613)	(90,038)	30,755	325,165
General Reserve c/f	809,119	757,132	725,452	928,774	928,258	866,988	834,948	673,342	579,187	553,407	616,229	403,616	313,578	344,333	669,498
Reserve % of Expenditure	44%	39%	36%	49%	48%	43%	42%	32%	27%	27%	30%	17%	14%	14%	25%
Administration %	16%	16%	16%	15%	19%	19%	19%	19%	19%	19%	22%	22%	25%	16%	13%
Rechargeable Profit	(6,343)	8,246	5,854	12,421	7,176	9,983	757	4,488	1,814	1,361	8,933	(1,457)	45,307	75,373	22,187
Admin Staff Costs increase		0%	10%	2%	4%	5%	4%	1%	4%	-2%	19%	7%	17%	-27%	-2%
Penny Rate	11.10	10.50	10.70	11.00	11.20	11.20	11.30	11.40	11.70	12.00	12.15	12.15	12.15	12.15	12.30

Black Sluice Internal Drainage Board

Black Sluice IDB is an Internal Drainage Board which was constituted under the provisions of the 1935 Land Drainage Act, it is a land drainage authority for an area mainly south west of Boston in Lincolnshire.

The Board's Main Objectives are:-

- Flood Prevention, to provide and maintain standards of sustainable flood protection of 1 in 50 years for urban areas, and 1 in 10 years for agricultural areas.
- Land Drainage, to reduce the flood risk to people, property, infrastructure and the natural environment by providing and maintaining technically, environmentally and economically sustainable flood defences within our hydraulic sub catchment areas.
- Water Level Management, to initiate, prepare and monitor water level management plans.
- Biodiversity, to conserve and enhance the environment wherever practical and feasible to ensure there is no net loss of biodiversity.
- Community, to provide a 24 hour/365 day emergency response for our community.
- Staff, to provide a working environment for staff that is safe, empowering and fulfilling.
- Finance, to maintain financial records that are correct and comply with all recommended accounting practice.
- Legislation, to ensure that all actions taken by the Board comply with all current U.K. and E.U. legislation.

Black Sluice Internal Drainage Board

Vision and Mission Statement

Our vision is to make each water catchment area a safe place to live, work, learn and enjoy, as a model of sustainable living in a high flood risk area.

To pursue the transfer of the current Environment Agency Black Sluice Pumping Station and main river assets over to the Board.

Our mission is to become the delivery partner of choice for all flood risk, drainage and water level management services in our hydraulic sub catchments, by working closely with our Lead Local Flood Authority, the Environment Agency and other risk management stakeholders.

We aim to enable and facilitate land use for residential, commercial, recreational and environmental purposes by guiding and regulating activities that would otherwise increase flood or coastal erosion risk. At the same time we will nurture, enhance and maintain the natural habitats and species which exist in and alongside our watercourses.

Environment Agency & Black Sluice Internal Drainage Board Joint Position Statement for the Black Sluice Catchment

27th November 2015

Background

The EA carried out a six week formal consultation to look at how flood risk could be managed in the future between 17th August and 27th September 2015. A series of consultation events were jointly hosted by the EA and BSIDB in recognition of the critical roles that both organisations have in the catchment.

The Environment Agency (EA) and the Black Sluice Internal Drainage Board (BSIDB) have provided a joint position statement on the future development of the Black Sluice Catchment flood risk management proposals.

Results from the formal consultation

The formal consultation was promoted widely through traditional and social media as well as directly to locally elected members at county, borough, district, town and parish level, along with local MPs. Six events took place, providing opportunities for people to come and talk to both organisations – three at village halls in Rippingale, Bicker and Billingborough, and three at the BSIDB offices at Swineshead. In addition we attended a bespoke meeting for the Bourne branch of the NFU and the EA attended the Lincolnshire County Council Flood and Drainage Management Scrutiny Committee in September. More than 150 people attended these events.

An analysis of the 71 responses received reveals that:

- Most people support transferring the Black Sluice Pumping Station (BSPS) to the BSIDB followed by replacing two pumps to keep the current pumping capacity. The options least supported are do nothing and do minimum i.e. removing the pumps.
- For the Lower Catchment, most people support protecting low points along the raised river embankments from erosion, followed by making flood products available to homes most at risk. The options least supported are do nothing and do minimum i.e. continue with current maintenance. In addition to the options consulted upon responders also favoured increased maintenance of the South Forty Foot Drain (SFFD) channel and for this work to be carried out by the BSIDB.
- For the Upper Catchment, most people support increased channel maintenance downstream of villages, followed closely by 'slowing the flow' upstream to hold water back, and make flood products available to homes most at risk. The options least supported are do nothing and do minimum i.e. continue with current maintenance.
- Eighteen responses indicated a willingness on the part of both individuals and organisations, to help deliver some of the proposed options.

It must be noted that a 'do nothing' and 'do minimum' option are required when putting together a business case for funding. It has to be shown and quantified that it is worth doing something, rather than nothing, and also what the implications are if what happens currently just continues.

A full 'response to the consultation document' will be published by the 27th January 2016.

Current arrangements for managing flood risk

The Black Sluice Catchment is drained and protected from flooding by a complex system of artificially embanked main rivers, lowland drainage ditches, gravity outfalls and pumping stations. In the higher areas of the catchment rivers have often been straightened and deepened to allow water to run away more quickly. The whole system flows out to sea via the Black Sluice – comprised of two gravity sluices (one of which is also a navigation lock) and the BSPS which currently needs a large investment to secure its operation into the future. This facility is currently owned and operated by the EA, who also own and operate the c120km of main river embanked channels in the catchment. The BSIDB manage the large and complex network of c755km of drainage ditches, and the 34 pumping stations and gravity outfalls from these drainage catchments into the main rivers. They also manage some ordinary watercourses in the highland area of the catchment, on behalf of the local authorities. BSIDB are dependent on the main river system to evacuate the majority of drainage water from the catchment. BSIDB offer additional protection to the SFFD main river from overtopping and possible breaching events by implementing an emergency strategy of reduced or no pumping into the SFFD during extreme events (holding the flood water within the catchments). There are no restrictions from the eight EA controlled main river highland carriers gravitating into the SFFD.

Work undertaken over a number of years, examining the effectiveness of the Black Sluice system has shown how important the structures and channels within the lowland area of the catchment are in reducing flood risk by providing land drainage for the purpose of growing food and other crops as well as for habitation within this area. The current EA operation of the BSPS itself does not reduce the risk of flooding to homes in the area whereas a more proactive approach from the BSIDB could, i.e. pumping the system down prior to a MET office severe wet weather warning event. It does reduce the number of hectares of land that flood from 992 to 814 if the pumps operate using a scenario of a flood with a 10% chance of happening in any given year. The EA alone cannot attract funding to refurbish the pumping station, because the economic benefit falls far short of the treasury requirements for investment. However, there is a small economic benefit that other organisations may wish to realise through local investment in the pumping station.

Organisational remit and funding

Whilst both organisations have a role to play in flood risk management in the catchment, the remit, focus and funding arrangements for each are different. The EA has one main source of funding for flood risk management, known as Flood and

Coastal Risk Management Grant in Aid (FCRMGIA). The application of these funds is weighted towards reducing flood risk to people and homes. The EA receive c£278k per annum additional funding from the BSIDB, known as the IDB precept, which is used to contribute to the up keep and maintenance of the SFFD main river to allow drainage water to flow out to sea. The BSIDB is 51% funded through drainage rate payers (land owners and tenant farmers) and 49% funded collectively from Boston Borough Council, North Kesteven District Council, South Kesteven District Council and South Holland District Council, who pay to ensure the ongoing land drainage of the catchment. BSIDB are also able to claim FCRMGIA for work that reduces flood risk, and they are able to make bids to other funding sources, for example Local Enterprise Partnership funding. As a government body, the EA cannot apply for these other funds.

There are a number of options for sustaining and improving the flood risk management in the catchment, proposed by the consultation document. The consultation responses have shown a strong appetite for the BSPS to continue as a facility for the catchment. There are still ways in which this can move forward as an option; however the EA is unlikely to be able to continue to be the operator, due to the funding constraints described above. The consultation also revealed new options and partners that may be able to contribute to future flood risk management. There are significant benefits available within the catchment, which would justify EA and BSIDB expenditure of FCRMGIA on sustaining and improving the current infrastructure (not including the BSPS). The consultation responses strongly supported further investment in both lower and upper catchments to improve flood risk management.

The way forward

Work on this project has produced the following key points:

- The Black Sluice Catchment currently benefits from a historical legacy of drainage works and infrastructure that reduce flood risk in the catchment.
- Current owners and operators of some of these watercourses and infrastructure are either not set up, or funded, to allow them to continue to operate these into the future. Others may be able to manage them to better effect.
- The EA is not able to deliver all the aspirations that partners and the community have for flood risk management and linked growth ideas, such as water resource security and navigational development, alone.
- There are many other projects that both BSIDB and the EA need to link with as the Black Sluice Catchment Works project is progressed. (for example the Fens Waterway Link and Anglian Water Services water transfer scheme).

The EA and the BSIDB have agreed to seek to move forward jointly in the following way:

Creation of the South Forty Foot Catchment Steering Group

Robert Caudwell has been appointed as an independent chairman to ensure a continued dialogue between all risk management authorities (RMAs) and other organisations and individuals who have offered to assist in shaping the future flood risk management and sustainable development of the Black Sluice Catchment. This will allow the EA to act as an equal partner, instead of a lead, which better reflects the EA's funding position. The chairman will set up a strategic catchment partnership steering group. This group will include representation from the Black Sluice IDB, the Environment Agency, Lincolnshire County Council and the Greater Lincolnshire Local Enterprise Partnership. The Steering Group will focus on four areas for development:

- Catchment wide asset management for land drainage and flood risk management
- Water Resource
- Water Level Management for Navigation
- Water Framework Directive

Organisations will be able to bid for funding from sources other than FCRMGIA and coordinate development and risk management activities within the catchment.

1) Catchment wide asset management for land drainage and flood risk management

A transitional arrangement for BSPS

The EA and BSIDB will investigate how they can fund and facilitate a smooth transition of the BSPS to BSIDB. Provisionally, a two year transitional arrangement is proposed, where the EA continue to operate the BSPS, but with increasing involvement of the BSIDB, until their familiarity and competence in running the station is at a point where full hand over can be achieved. This time will allow other funding sources to be investigated and legal processes to be progressed, but is dependent on the necessary funding being in place.

Interim capital works undertaken by EA and BSIDB

Both RMAs will continue to progress capital works that sustain and improve the flood risk management of the existing system - where these comply with treasury funding rules and meet the strategic approach that is being formulated by the catchment partnership. For example BSIDB land drainage pump station refurbishments, culvert replacements, protecting the low points along raised main river embankments, one off capital dredging works and the Swaton Flood Alleviation Scheme.

A joint operation and maintenance plan

A detailed plan for operating and maintaining the flood risk infrastructure in the catchment will be jointly written by all RMAs involved in managing flood risk. It will outline each partner's roles and responsibilities and identify funding sources and arrangements, to ensure that the work is affordable and fully funded. Use would be made of the Public Sector Cooperation Agreement to allow the RMAs to undertake work on each other's behalf where they are better equipped or have resources to do so. This will allow the future transfer of watercourses between organisations to take place more smoothly if desired. The EA has a statutory duty to provide flood warnings to the public. The operational plan will describe how the EA and IDB will work together to put in place suitable communications that will allow the EA to continue with this responsibility.

2. Water Resource

Opportunities will be sought to optimise the use of water within the catchment to generate economic growth.

3. Water Level Management for Navigation

Existing and new aspirations will be considered when developing works arising from the above to ensure Water Level Management for Navigation is incorporated or as a minimum, not precluded for the future.

4. Water Framework Directive

Opportunities will be sought across all works arising from the above to collectively deliver in accordance with the Water Framework Directive and enhance the environment where possible.

Detail to be agreed by Steering group for 2,3 and 4.

Signed for the EA:	Signed for BSDIB:
Deborah Campbell – FCRM Manager	Ian Warsap – Chief Executive

Email from Jennifer Moore, Environment and Sustainability Officer at Boston Borough Council

The Fly Swat Team are now up and running with a permanent driver that will be working 5 days a week up until 31st of March 2016, the cost of this will be covered by the current under spend on the Fly Tipping Partnership budget. I have looked at some costings for employing someone going forward.

At our last meeting we discussed the ever increasing problems of getting the right prisoners onto the project with a clean driving licence and who meets our strict selection criteria. Because of this we have had to suspend the service on numerous occasions. In order to safeguard the service we need to adjust/relax the selection criteria, the only way we could do that is to have someone supervising the team whilst they are out collecting the Fly Tipping.

We did agree to look at the cost of directly employing a driver/supervisor going forward from April 2016. Please find attached the costings, if there is anything you would like me to clarify please do not hesitate to get in touch with me.

I fully appreciate that you will need to approach your boards, committees etc. (as we will) before making any kind of commitment but I would very much appreciate your comments at this stage about whether your organisation would in principle be prepared to consider this option.

I will be organising another meeting sometime in February 2016 to finalise how we as a partnership will be able to take this project forward and would appreciate a firm decision by that time.

POST	GRADE	HOURS/WK	DAYS/WK		SCP	SALARY	NATIONAL INSURANCE	SUPERANNUATION (FULL)	TOTAL COST PER ANNUM
			K	SCP					
Fly tipping driver		2	37	5	10	14507.66	383.2	3510.85	18401.71
		2	29.6	4	10	11606.13	79.69	2808.68	14494.50
		2	22.2	3	10	8704.6	0	2106.51	10811.11

No OF DAYS	PARTNERSHIP PAYMENTS 2015/2016 - £s	% CONTRIBUTION FOR EACH PARTNER	PROPOSED PARTNERSHIP PAYMENTS INCLUDING DRIVER FOR 2016/2017 - £s		
			5 days	4 days	3 days
			18402	14495	10811
SALARY					
BOSTON MAYFLOWER BLACK SLUICE INT D BOARD	1100	8.44%	2654	2324	2013
WITHAM FOURTH INT D BOARD	1100	8.44%	2654	2324	2013
WELLAND AND DEEPING INT D BOARD	1100	8.44%	2654	2324	2013
LONGHURST & HAVELOCK HOMES	525	4.03%	1267	1110	963
SOUTH HOLLAND DISTRICT COUNCIL	3500	26.87%	8445	7395	6404
BOSTON BOROUGH	3500	26.87%	8445	7395	6404
SOUTH HOLLAND INT D BOARD	1100	8.44%	2654	2324	2013
TOTAL	13025		31427	27520	23836

NEW AUDIT REGIME

Dear Colleagues

We are pleased to announce that we have set up a company to procure audit services on your behalf. This letter officially invites you to become an opted in authority to this scheme.

When the previous government abolished the Audit Commission, the National Association of Local Councils (NALC), the Society for Local Council Clerks (SLCC) and the Association of Drainage Authorities (ADA) expressed concerns about the impact this would have on the workload of local authorities. We successfully persuaded the government to let us procure authority audit services, simplifying arrangements and reducing the burden on you.

We also successfully persuaded the government to fund the start-up costs of £540,000 which the sector otherwise would have had to raise itself.

This has been a real triumph for the sector resulting from good joint working between NALC, ADA and the SLCC.

The NALC website, www.nalc.gov.uk, will give further information, but at this stage you need do nothing unless you wish to opt out, set up your own independent audit panel and procure relevant services. If you do not wish to participate and will be making your own arrangements you need to tell us by 31 January 2016.

If you do not opt out you will automatically be included in the arrangement for the next five years.

If you wish to opt out of the Sector Led Body audit procurement you must let us know by 31 January 2016 by emailing: slboptout@nalc.gov.uk or writing to:

Audit Opt Out
Sector Led Body
National Association of Local Councils
109 Great Russell Street
London WC1B 3LD

 NALC

 SLCC
Society of Local Council Clerks
Professional Supportive Innovation

 ada

FACTSHEET - PROCUREMENT OF AUDIT FOR SMALLER AUTHORITIES

Auditing procedures for smaller authorities continue as before, but the procurement process will change from 2017.

From the start of the 2017/18 financial year smaller authorities, including parish and town councils and internal drainage boards, can choose to have an auditor appointed to them by a new 'sector-led body' or they can decide to procure their own. We intend to call this procurement body the Smaller Authority Audit Appointment Authority Limited.

This letter sets out how the new arrangements will work, what the new body will do, what it will offer to smaller authorities, and how you can opt out of having an auditor appointed to you and what you will then need to do.

Smaller authorities with a turnover of less than £25,000 will be exempt from having to submit an annual financial return, but will still need to have an auditor appointed in case there are questions from electors to be resolved. The SLB will be the first point of contact in such a case.

Background

The National Association of Local Councils (NALC) is working with the Department of Communities and Local Government (DCLG), Society of Local Council Clerks (SLCC) and Association of Drainage Authorities (ADA) on the establishment of a 'sector led body' to procure audit for smaller authorities for the 2017/18 financial year.

The new body will be responsible for procuring audit services for smaller authorities – this is all parish and town councils and internal drainage boards with an income of less than £6.5m – and for the management of these audit contracts for a period of five years.

The Local Audit and Accountability Act 2014 requires that from 2017, smaller authorities will appoint auditors through a 'sector led body' or opt out of such arrangements and appoint auditors locally.

The Smaller Authority Regulations¹ enabled the establishment of a sector-led, collective procurement body to appoint auditors and manage audit contracts. This approach acknowledges both the benefits of collective procurement and the important fact that smaller authorities may not have resources or capacity to individually appoint auditors locally.

Audit of smaller authorities remains mandatory and the creation of the body is aimed at easing the administrative burden, reducing costs and ensuring quality, while maintaining the opportunity for a local approach to auditor appointment.

¹ The Local Audit (Smaller Authorities) Regulations 2015 <http://www.legislation.gov.uk/ukdsi/2015/9780111126103>

National Association of Local Councils, Society of Local Council Clerks and the Association of Drainage Authorities.

The audit regime remains unchanged with limited assurance engagements being required from all authorities except those smaller authorities with zero expenditure, who will continue to confirm this annually in response to auditor requests.

One important change is that from 2017 those smaller authorities with a turnover below £25,000 will still be required to complete and publish an Annual Return, but will no longer be required to submit it for audit.

About the Sector-Led Body (SLB)

As previously stated, NALC, SLCC and ADA are currently working together to set up a 'sector led body' to procure audit for smaller authorities for the start of the 2017/18 financial year. This process is being supported and funded by DCLG.

As was the case with the former Audit Commission, the running costs of the new body will be funded from the audit fees charged to smaller authorities.

The board of the new body will comprise an independent chair, two independent members, and representation from NALC, SLCC and ADA. Secretariat support will be provided by NALC. The new body will have a Memorandum of Understanding with DCLG, who will have optional observer status, and who will also review and monitor progress and quality of SLB work.

The SLB will appoint auditors for **all those smaller authorities 'opted in' to the new arrangements**.

A tender process (compliant with European rules and regulations) will be completed by the end of September 2016.

The SLB will procure, deliver and manage the audit contracts; this will include specification of contract requirements, management of auditors, recording of all authorities opting in or out, communications and quality management of audit contracts.

Quality assurance of audits/limited assurance engagements will be conducted by a process to be managed through DCLG.

The SLB will be charged with monitoring those smaller authorities who decide to 'opt out' and reporting those bodies to DCLG, confirming when they have appointed auditors locally.

National Association of Local Councils, Society of Local Council Clerks and the Association of Drainage Authorities.

What you need to do

Those smaller authorities who wish to participate in the SLB do not need to do anything as all smaller authorities are automatically opted in to the new body and will have an auditor procured for them.

This is aimed at helping the transition to new arrangements in 2017 to be as seamless as possible and with no disruption to your audit arrangements.

How to opt out of the new arrangements

However your council is entitled to opt out of the new arrangements. The decision to opt out must be through a formal meeting of the council, and as such every council who is eligible to opt-out needs to actually formally consider if they are going to.

If you wish to opt out of the Sector Led Body Audit procurement you must email slboptout@nalc.gov.uk or write to:

Audit Opt Out
Sector Led Body
National Association of Local Councils
109 Great Russell Street
London
WC1B 3LD

by 31 January 2016 (if you do not do so by that date the next chance to opt out will be in five years time)

All authorities who wish to opt out must make their own arrangements with auditors, which will include but is not limited to the following:

- establishing an Auditor Panel;
- following a statutory appointment process set out in regulations;
- appointing an auditor by 31 December 2016;
- providing the SLB with the contact details of your auditor.

Smaller authorities who 'opt out' but fail to appoint an auditor by the deadline will have an auditor appointed for them, as the appointment of an auditor is a legal requirement. Such an appointment may be at a considerably higher cost as the savings from the bulk procurement of auditors may not be available and there will be additional administrative charges.

A small fee will be charged for this to cover the whole five year period and will be payable before the start of the new audit arrangements in April 2017. These authorities may 'opt out' but will still have to appoint auditors and meet the requirements set out above and it is highly likely this will be a far more expensive option.

National Association of Local Councils, Society of Local Council Clerks and the Association of Drainage Authorities.

It would be prudent of you to consider in your budget discussion funding to meet either the costs of audit if you are a council above £25,000 turnover, or the fee to access a an auditor from the Sector Led Body if you are a smaller council. The previous audit costs were negotiated several years ago and included some cross subsidy from larger councils so your costs in future years may increase. The one-off SLB fee is estimated to be less than £100, however this may be subject to change as the SLB is set up.

Timetable

SLB Chair and Board (Independent) roles advertised	Oct 2015
SLB set up as a corporate entity	Nov 2015
SLB Board in place	Nov 2015
Specification of Auditor procurement requirements start	Nov 2015
Local Authorities written to and informed of options	Nov 2015
Smaller authorities opt out SLB arrangements	End Dec 2015
Specification of auditor requirements	End 2015
Procurement of auditor services starts	Start 2016
Auditors appointed by SLB	End Oct 2016
Opted out authorities to advise SLB of auditor appointments	Oct 2016
Auditors in place	Start 2017
Auditors start work	Start 2017/18 financial year
Auditors first reports	2 nd quarter 2018

Summary of Key points

- **New Audit arrangements come into force on 1 April 2017 requiring the set up a SLB**
- **NALC will be working in partnership with SLCC and ADA to set-up of the SLB**
- **The SLB will procure, deliver and manage the audit contracts to start 1 April 2017**
- **The SLB will appoint auditors for all those authorities opted in**
- **Authorities who opt out of the SLB arrangements will need to inform the SLB and will have to have appointed auditors by 31 December 2016**
- **The audit regime from 1 April 2017 remains unchanged using limited assurance engagements**

If you wish to opt out of the Sector Led Body Audit procurement you must let us know by 31 January 2016 by emailing slboptout@nalc.gov.uk or write to:

Audit Opt Out
Sector Led Body
National Association of Local Councils
109 Great Russell Street
London
WC1B 3LD

National Association of Local Councils, Society of Local Council Clerks and the Association of Drainage Authorities.

Further information.

The Local Audit (Smaller Authorities) Regulations 2015

http://www.legislation.gov.uk/ukdsi/2015/9780111126103/pdfs/ukdsi_9780111126103_en.pdf

Local Audit and Accountability Act 2014

http://www.legislation.gov.uk/ukpga/2014/2/pdfs/ukpga_20140002_en.pdf

Transparency code for smaller authorities

[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388541/Transparency Code for Smaller Authorities.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388541/Transparency_Code_for_Smaller_Authorities.pdf)

National Association of Local Councils, Society of Local Council Clerks and the Association of Drainage Authorities.