

BLACK SLUICE

INTERNAL DRAINAGE BOARD



Executive Committee Meeting

Thursday, 31st August 2017 at 9am

Station Road, Swineshead, Lincolnshire PE20 3PW



Black Sluice Internal Drainage Board

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Our Ref: IW/DPW/B10_1

Your Ref:

Date: 23rd August 2017

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 Thursday, 31st August 2017 at **9am** at which your attendance is requested.

Chief Executive

A G E N D A

1. Apologies for absence
2. Declarations of Interest
3. To receive and if correct sign the Minutes of the Executive Meeting held on the 24th May 2017 **(pages 1 - 7)**
4. Matters Arising
5. To review a Report on the De-maining of EA Watercourses:
 - (a) South Forty Foot Pilot Factsheet **(pages 8 & 9)**
 - (b) South Forty Foot Catchment Watercourse Business Case **(pages 10 - 33)**
 - (c) **CONFIDENTIAL** - SFFD Budget & 10 Year Projections **(pages 34 - 37)**
6. To review a Report of the transfer of the Black Sluice (Boston) Pumping Station to the BSIDB:
 - (a) Black Sluice (Boston) Pumping Station Commuted Sum **(pages 38 & 39)**
 - (b) Black Sluice (Boston) Pumping Station Asset Transfer Option **(pages 40 - 44)**
 - (c) Black Sluice (Boston) Pumping Station Proposed EA Precept Reduction **(pages 45 - 48)**
7. To consider Period 4 Management Accounts **(pages 49 - 52)**
8. **CONFIDENTIAL** - Minutes of the Executive Meeting held on the 24th May 2017 **(pages 53 - 58)**
 - (a) **CONFIDENTIAL** – Review of Salaries 2018/19 **(pages 59 - 61)**
 - (b) Spine Point Rates of Pay + 0.4% **(page 62)**
9. Any Other Business.

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of a meeting of the Executive Committee

held at the Offices of the Board on
24th May 2017 at 2pm

Members

Chairman - * Mr K C Casswell

* Cllr P Bedford

* Cllr M Brookes

* Mr J Fowler

* Mr P Holmes

Mr M Rollinson

* Member Present

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

The Chairman welcomed the Operations Manager to his first meeting with the Executive Committee. The Chief Executive added he has requested the Operations Manager attendance because of the confidential paper later in the meeting in order for Members to be able to ask any questions.

1120 APOLOGIES FOR ABSENCE - Agenda Item 1

Apologies were received from Mr M Rollinson.

1121 DECLARATIONS OF INTEREST - Agenda Item 2

There were no Declarations of Interest.

1122 MINUTES OF THE LAST MEETING - Agenda Item 3

Minutes of the last meeting held on 14th December 2016, copies of which had been circulated, were considered and it was agreed that they should be signed as a true record.

1123 MATTERS ARISING - Agenda Item 4

a) Works Committee Membership - Minute 1057(a)

The Chairman commented on the membership of the Works Committees, which has been reviewed. Mr Barker has asked if there is going to be a Board Inspection. The Chairman believes this has been superseded by the full day style inspection tours for each of the Northern and Southern Works Committees. He is conscious that invitations to these inspection tours should include anyone from the local farming community or ratepayers who have an interest in the Board. Mr Holmes responded that over the years the inspection tours have included rate paying farmers to encourage them not only by showing them how things are done but also by looking to the future with succession to see whether they are interested in joining the Board.

The Chairman added that with the two open days in July at the South Forty Foot Drain silt pumping, which will be open to all Board Members participation, which in his view negates the need for a full Board Inspection.

b) Period 8 Management Accounts - Minute 1058

Mr Fowler asked if anything further had been considered regarding moving banks. The Finance Manager responded he has not progressed this any further. Mr Fowler added regarding the difficulty in paying in cheques. The Finance Manager responded that this has been resolved; we can pay cheques into the Post Office, which they then forward to Natwest.

c) Equipment Sophos Intercept X - Minute 1059(q)

The Finance Manager stated that at the Audit & Risk Committee meeting following the Wanna Crypto virus that affected the NHS, it was agreed that some training will be put in place as well as some testing of this training. The Committee have recommended installation of the more advanced anti-virus and the Sophos Intercept X system and will not be progressing with the insurance cover.

1124 TO CONSIDER PERIOD 12 MANAGEMENT ACCOUNTS - Agenda Item 5

The Finance Manager stated last year by putting the Period 11 management accounts in it allowed a way of comparing actual to budget against forecast for the previous year. He stated this gives us more information rather than just a set of accounts without any comparison. He added that the Executive Members are sent these in this format at the beginning of each month to review.

He then went on to highlight the following;

- a) Surplus of £30,152 the budget surplus was £5,816.
- b) On a £2.1 million turnover, he believed coming in at this level is credit to the budget setting process and the way the Boards monitoring works as a whole. Action is taken if required after monitoring of the budgets when things do not come in as they have been planned.
- c) The figures within page 20 feed into the annual accounts and annual return.

The Chairman asked if Members were happy with the management accounts this format is very reassuring, he then thanked the Finance Manager.

1125 TO RECEIVE THE 2016/17 UNAUDITED FINANCIAL STATEMENTS - Agenda Item 6

The Finance Manager stated the figures just reviewed feed into the unaudited financial statements, which will be presented at the next Board meeting. The financial statements will be presented in a strict order. The Finance Manager stated he would go through the annual governance statement to ensure this is completed and signed. The Board will agree the statement of responsibilities before the financial statements - income & expenditure account and balance sheet. He concluded these are the accounts, which will be presented to the Board meeting.

The Chairman clarified the question regarding the Environmental Agency monies for the SFFD scheme works are in rechargeable works. The Finance Manager responded that the monies already paid are in the accounts and anything left over has been transferred into this year, as it is ongoing.

The Chairman asked if there were any questions and asked Members for approval to recommend the unaudited financial statements to the Board. All AGREED.

1126 TO RECEIVE THE ANNUAL RETURN FOR YEAR ENDED 31ST MARCH 2017 - Agenda Item 7

The Finance Manager reported these figures are taken from the unaudited financial statements and disseminated into ten sections on page 25. This document is from ISS. It is the same for all public sector councils etc.

1127 TO RECEIVE THE ANNUAL INTERNAL AUDIT REPORT - Agenda Item 8

The Chairman presented the Internal Audit Report on pages 29 to 37. Cllr Brookes added that the Audit & Risk Committee made it clear to Mr Gowing how disappointed they were to receive "adequate assurance" and it was only one item, which had placed the Board in this position. Mr Gowing assured the Committee that it would obtain substantial assurance next year.

Cllr Brookes stated that Mr Gowing also had issue with the discretionary payment. Mr Fowler asked if there was clarification from the HM Treasury the Finance Manager showed the letter received on the screen for Members to review which states they do not set local government pay, the Chief Executive agreed with the Finance Manager they both interpret the view the same.

1128 TO CONSIDER THE BOARDS INVESTMENT STRATEGY - Agenda Item 9

The Chairman explained that reserve funds have previously been invested in savings Banks or Building Societies, which currently are not giving a return on the Boards investments. He invited opinions from Members regarding considering an alternative investment ie Brewin Dolphin.

The Finance Manager stated that the Investment Strategy Policy currently states; "for prudent management of surplus balances, the Board can invest in Banks, Building Societies, local authorities or other public authorities. Deposits in securities, which are guaranteed by the Government".

The Finance Manager stated if Members considered investment with Brewin Dolphin it would require a change in the policy. The Committee could recommend this but the Finance Manager raised concern that due to the fluctuations in capital whether it would be prudent to do this. He pointed out the balance sheet for the Bourne Fen Farm Trust on page 42 showing balances going from £322,796 to £363,377 in 2017. The Finance Manager then asked what would opinion be if the investment had gone the other way and lost capital. The Investment Strategy Policy as it is written now safeguards the Boards capital and does not currently give a great income on £300,000 but if that cash reserve is required to balance cash flow, it is available to do so.

Cllr Brookes agreed with the Finance Manager he would not want the Board to be in a position where the cash reserve is needed and the capital had been reduced.

The Chairman asked Members if they wanted to leave the Investment Strategy policy, as is which would mean very little interest on cash reserve would be achievable.

The Chief Executive reminded the Committee that they had taken the decision to take the lower risk approach on that income which is rightly so.

Mr Holmes asked is there any reason not to, split it say lock £200,000 low risk low interest and invest stock market with £100,000.

Mr Fowler stated that good governance says if there is an end use for that cash reserve and a specific date, it should be invested in a low risk where the capital is not depreciated. If the Board were in the fortunate position that they could lock cash reserves for 5/10 years as long as it was definitely not required, then say managed in the same way as the equities are with Brewin Dolphin. He concluded that regarding risking capital, which is required to be used at some future date, relatively short term, Mr Fowler believes the Board should not be high risk at all.

The Finance Manager stated current revenue reserve is £910,000, he is currently using £245,000. He explained that due to the system of approvals which the Environment Agency have to obtain funding in order to pay the Boards invoice this could take two months before the invoice is paid. He believes that in a further two months the sum could have increased to £500,000. Realistically the Board would not have the reserves if the Board were confident that we did not in some cases have to use it. He stated the Board could run at much lower reserves if we were not in the volatile situation where one month of continuous pumping and the electric bill is £80,000.

The Chairman and Members of the Committee agreed to leave the Investment Strategy Policy with no amendments.

1129 TO APPROVE THE ACCOUNTS FOR THE BOURNE FEN FARM - Agenda Item 10

The Finance Manager presented the accounts for the Bourne Fen Farm Trust stating income derived from this has improved from the previous year. He explained this is down to James Scott (Brewin Dolphin) and the work he has done to balance out the portfolio via a managed fund, as this Committee had instructed him to do. Therefore, there has been an increase in charges within this; also, there is an increase in income and a slight surplus, which has been used to alleviate the rates. He concluded that Brewin Dolphin has increased the value of the fund whilst balancing out the investment although there is increase in charges.

1130 TO CONSIDER A CONFIDENTIAL REPORT OF A PROPOSED WORKFORCE PAY RESTRUCTURE - Agenda Item 11

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.

1131 TO CONSIDER A CONFIDENTIAL REPORT OF A PROPOSED OPERATIONAL RESTRUCTURE - Agenda Item 12

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.

1132 TO CONSIDER A CONFIDENTIAL REPORT ON STAFF SALARY REVIEW - Agenda Item 13

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.

1133 Any Other Business - Agenda Item 14

a) Cutter Suction Silt Dredger Open Event 12th & 13th July 2017

The Chief Executive stated that it has been decided to hold the open day events on the 12th and 13th July. A banner has been attached to all emails being sent from the Boards Offices, if any Member would like the banner sending as an attachment please let the Officers know. The banner is on the Boards website, twitter and facebook. An advertisement has been placed in the ADA Gazette due out in two weeks' time. The Chief Executive asked Members for guidance on how far this event should be developed. He stated there is a large grass field near to the site, which can be used for a marquee. Primarily people are going to want to come and view the operations of the machinery and the lagoons. He informed the Committee that Lincolnshire ADA are going to hold their branch meeting in the marquee on this site on the Thursday afternoon. The Chief Executive asked how do you want the Officers to develop the event ie school invitations, other demonstrators?

The Chief Executive asked Members if invites to other farmers and ratepayers who may be interested in getting involved with the works groups and enable them access to talk to Board Members to see what the Board does.

The Chairman responded the core thing is what the Board is doing and for the first time this is happening in a UK inland waterway. It is flying the flag for the Black Sluice. He added that ratepayers should get to know what is going on because the SFFD is big in their lives.

Mr Holmes suggested get a list of all the ratepayers who are adjacent to the SFFD even two fields away and ask those down that corridor from Black Hole Drove to the A17.

The Chairman added it was viewed at Floodex as such a big thing.

Cllr Bedford stated that the NFU spoke about it in their presentation.

Mr Holmes stated Somerset IDB are very interested.

The Chairman clarified that other IDBs will pick it up from the ADA Gazette.

The Chairman also added that the Boston Borough Council members should be contacted.

The Chief Executive clarified yes to contact the Boards key partners with a direct letter, which will go to those landowners within the SFFD corridor as well.

Mr Fowler agreed with the Chairman that it does not want to develop into an ADA demonstration. He believed the core purpose is to see the suction cutter.

The Finance Manager suggested looking at projects rather than machines. Perhaps a WRE representative (Steve Moncaster) and a stand so people could ask questions, Adam Robinson regarding the Boston Barrier, the Chairman thought this was 'good thinking' and people will want to ask questions.

Cllr Bedford remarked that once the nomination for the Secretary of State, there should be an invitation sent.

Mr Holmes queried the logistics of it, are we going to need to review the area we have. He then asked if they would require the trailer; yes the Chief Executive felt it would be beneficial to be able to offer the trailer to ferry people to the site.

The Chief Executive reminded Members that unfortunately we will not know numbers as it is an open event. The Operations Manager added we have to accommodate car and coach parking. The Chairman wondered if Mowbrays yard could be used to park coaches and ferry people in the trailer.

The Chairman believes it will be well attended; the Chief Executive continued by saying these groups should be in the marquee;

- Boston Barrier
- Black Sluice Catchment Steering Group
- Water Resource East
- Partnership Approach to Catchment Management (PACM)
- Environment Agency

Mr Holmes asked if the Chairman was planning to have an Executive meeting before then to discuss all contingencies. The Chairman responded yes. The Chief Executive felt it should be within a week of the event; Members reviewed the calendar and suggested 3rd July 2017.

b) Inspections Tour Netherlands

The Chief Executive outlined a scenario he is reviewing, that whilst attending Floodex and speaking with the three Dutch companies Royal Smals, Vanheck and Heuvelman Ibis there could be an interest by the Board for a study tour to the Netherlands in June/July 2018. They most definitely would welcome and organise events, perhaps a visit to the large sand removal reservoir by Royal Smals. Vanheck showing what their 24 inch pumps will do, a visit to the only steam driven pumping station left in Europe. Royal Smals said they would speak to local drainage boards to be involved as well.

He asked if the Executive would like to explore the option and do they want to think about the dates. He suggested that if the Executive agree then it could be put to the Board to see what level of interest there is.

The Chairman responded Royal Smals have a very good working relationship with the Black Sluice. He believes it would be a good visit it may be that we could include a drainage board. He concluded that previously on these tours we have invited someone like Mr Clack (EA) and ADA have been invited in the past as well.

The Chairman wanted to minute that the Environment Agency deserve credit for the SFFD works with the Black Sluice, which they are not getting the recognition for.

The Members discussed the number of days, week commencing 4th June 2018 and discussed flying from Humberside KLM.

c) Executive Committee Meeting

The Chairman asked if the 13th December 2017 meeting could be a morning meeting due to other commitments. Members AGREED 9:30am.

d) Abstraction Licence

The Chief Executive stated that as a Board we are not involved in permissions for abstraction licences, it is controlled by the EA. It has come to light that the Board does not have an irrigation consenting policy. The Chief Executive would like to draft a policy because the pump and pipework are generally inside the Boards 9 metre consenting byelaw. He believes it may cause issues but previously Boards machinery has struck equipment and this equipment does obstruct Boards machines. The Chief Executive requested the Committees reaction to a draft irrigation consenting policy, which will be supplied to the EA to issue with their irrigation licenses.

Mr Fowler remarked that there are changes afoot in the abstraction policies and licences from the EA; the Chief Executive stated they are currently being implemented for new applications.

Members felt it would be a good idea and the Chief Executive stated that the policy would be presented to the Structures Committee meeting.

There being no further business the meeting closed at 16:08pm.

De-maining within the South Forty Foot Catchment



The Environment Agency has received a proposal from the Black Sluice Internal Drainage Board (BSIDB) to de-main 25.9km of watercourses in the South Forty Foot catchment, located in South Lincolnshire. This fact sheet provides information about de-mainment.

Background

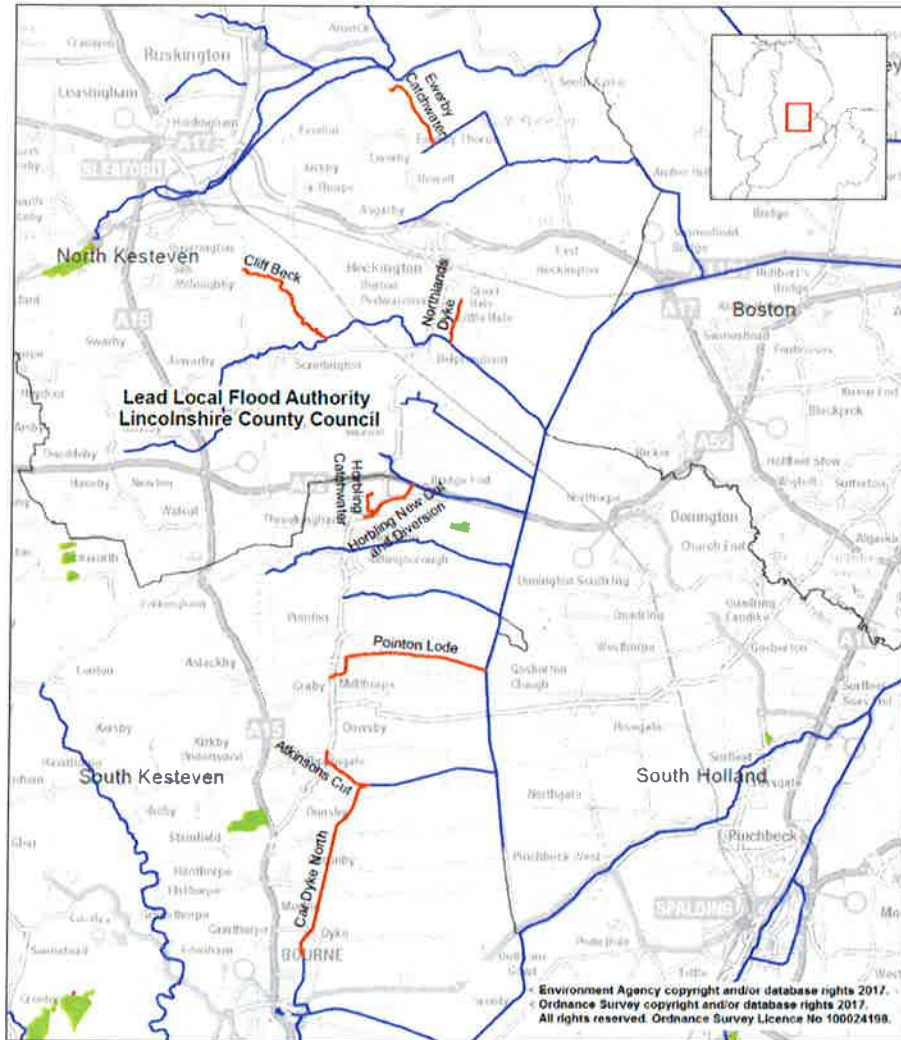
- The South Forty Foot catchment, located in South Lincolnshire, comprises a large area of fenland which is drained artificially through a network of pumping stations, drainage ditches and embanked watercourses. There is also a significant area of higher ground, which drains rapidly towards the fens.
- The main route that both river and drainage water exit the catchment is via the South Forty Foot Drain (SFFD) main river, which outfalls to the River Haven in Boston at the Black Sluice.
- It is proposed to de-main seven stretches of low risk watercourse (all SFFD tributaries), to the jurisdiction of the BSIDB.

Facts and figures

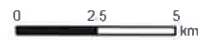
| | |
|---|--|
| Total length of de-maining stretches | 25.9km |
| Extent: | See Map |
| Location (is the area built up, rural etc) | Largely rural (arable land) with some housing (individual properties) along or near too the proposed watercourses for de-mainment. |
| Current RMA | Environment Agency |
| Lead local Flood Authority | Lincolnshire County Council |
| Proposed RMA | Black Sluice Internal Drainage Board (BSIDB) |
| Current Maintenance | Mix of maintenance for the watercourses: PSCA's with BSIDB for annual maintenance for all stretches, with select areas maintained less frequently. |
| Environmental considerations | Some sections have been noted for the presence of protected species; potential fish/spawning habitats; areas of beneficial woodland and trees along the banks. No WFD concerns due to the heavily modified nature of the watercourses in question. |
| Properties at risk | There are little to no properties at risk of flooding from these watercourses. |

De-maining within the South Forty Foot catchment

RMRN De-maining Proposal: South Forty Foot



- De-maining stretch
- Main river
- SAC
- SSSI
- Local Authority boundary



Produced by Evidence Delivery - National Operations

For more information, please contact Pilot Lead, Abigail Jackson on 020302 55877 or email abigail.jackson@environment-agency.gov.uk.

South Forty Foot Tributaries - Asset Transfer

Short Form Business Case



Version No: 1.0

Date: 14 July 2017

FINANCIAL SCHEME OF DELEGATION (FSoD) APPROVALS

| | | | | | |
|----|---------------------------|--|-----------------------|-------------------|----------------|
| 1. | Project name | <i>South Forty Foot Tributaries - Asset Transfer</i> | | | |
| | Project ref. | Project Code | | Start date | October 2016 |
| | Programme | | | End date | September 2018 |
| | Hub or Head Office | West | For FSOD use only | | |
| | Area name | Lincolnshire & Northamptonshire | FSoD reference | | |
| | Function | FCERM | FSoD Date | | |

| | | | | |
|----|--------------------------|-----------------|-------------------------|------------------------------------|
| 2. | Role | Name | Post Title | % time allocated to project |
| | Project Sponsor | Norman Robinson | Area Manager | 1% |
| | Project Executive | Kate Halka | Area Operations Manager | 2% |
| | Project Manager | Abigail Jackson | Pilot Lead | 50% |

| | | | | | | | |
|----|---|-----|--------------------------|--------|--------------------------|------|--------------------------|
| 3. | Risk Potential Assessment (RPA) Category | Low | <input type="checkbox"/> | Medium | <input type="checkbox"/> | High | <input type="checkbox"/> |
|----|---|-----|--------------------------|--------|--------------------------|------|--------------------------|

| | | | | |
|----|--|---|-------------------------|---------------------|
| 4. | FSoD schedule | Description | Delegation | |
| | | | National – up to | Area – up to |
| | A1 <input type="checkbox"/> | Projects (includes FCRM revenue) | £5m | £5m |
| | A2 <input type="checkbox"/> | FCRM capital project within approved strategy | £100m WLC Defra | £10m |
| | A3 <input checked="" type="checkbox"/> | FCRM capital project outside of approved strategy | £100m WLC Defra | £5m |
| | A5 <input type="checkbox"/> | Consultancy project | £500k | £500k |
| | T2 <input type="checkbox"/> | Corporate Property Projects /acquisitions | £5m | £5m |

| | | |
|----|--|-----------------------|
| 5. | FSoD value | £k |
| | Strategic Outline Case (SOC) | FSoD reference |
| | Full Business Case (FBC) | |
| | Full Project Cost (initial investment) | 40 |
| | Whole Life Costs (WLC) of Project (if applicable) | |
| | Financial benefits | |
| | Non-financial benefits | Yes |

| | | | | | |
|----|--|----------|---------------------------------|------------------------------------|----------------------------------|
| 6. | Required level of Environmental Impact Assessment (EIA) | N/A x | Low <input type="checkbox"/> | Medium <input type="checkbox"/> | High <input type="checkbox"/> |
|----|--|----------|---------------------------------|------------------------------------|----------------------------------|

| | | | | | | |
|----|------------------------|-------------------|-------------------------------|--------------------------------|--------------------------------|-------------|
| 7. | NPAS/LPRG chair | Post title | Assurance confirmation | | | Date |
| | | | RED <input type="checkbox"/> | AMBER <input type="checkbox"/> | GREEN <input type="checkbox"/> | |

| | | | | |
|----|------------------------------|-------------------|-------------------------|-------------|
| 8. | FSoD approver(s) name | Post title | Emailed approval | Date |
| | | | | |

| | | | | |
|----|---------------|--------------------------|------------------|---|
| 9. | Form G | Form G value (£k) | FSoD ref. | Latest FSoD authorised cost (£k) |
| | 1 | | | |
| | 2 | | | |
| | 3 | | | |

| | |
|---|--|
| <p>10. By default, all approved business cases are made accessible to the project community through the NPAS SharePoint site. This is to help with learning and providing example cases to others involved in similar work.</p> <p>If the business case contains sensitive/ commercial information or any other information/data which should not be viewed widely, please tick the box and we will not share your documentation.</p> | |
|---|--|

| |
|--|
| <p>11. For FSoD Coordinator use only:</p> |
| <p style="text-align: center; opacity: 0.5; font-size: 48px; transform: rotate(-30deg);">DRAFT</p> |

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DRAFT

1.1. Introduction

This Short Form Business Case is to seek Financial Scheme of Delegation (FSoD) approval for the sum of £83,320 to transfer a total of 10 assets on selected South Forty Foot Tributaries to the Black Sluice Internal Drainage Board in accordance with the Environment Agency's Maintenance Protocol. This transfer is part of the Rationalising the Main River Network Project and follows the agreed approach by Environment Agency and Defra (See Appendix 3) on investing in transfer of uneconomic assets to save future costs.

1.2. Strategic case

The Environment Agency works with communities and partners to manage the risk of flooding and reduce its impact on people and property. One way we manage that risk is through maintaining our flood and coastal risk management (FCRM) assets and main rivers.

The three strategic asset management principles that we apply are described below:

- We maintain assets that are justified

Where there is an economic case for maintenance to reduce flood risk or to fulfil legal or international environmental designation requirements.

- We discontinue maintaining uneconomic assets

Where we cannot justify continued maintenance we implement alternative arrangements in accordance with the Maintenance Protocol. The protocol ensures we agree with those directly affected a period of notice to enable alternative arrangements to be made. The 'Effectiveness Initiative' sets out this programme of work.

- We empower others to maintain assets appropriate for them to maintain

Where it is appropriate in flood risk terms for others to assume responsibility for maintenance and where they are willing to take on these responsibilities, thus enabling local choice. Asset transfer work under Rationalising the Main River Network applies to this principle.

The Environment Agency has responsibility for over 36,000 km of main-river in England yet only 40% of that main river covers 90% of those at risk. In many places others are better placed to provide the local risk management required, leaving us to focus on the most significant and strategic flood risk. We need to work on the mechanisms to rebalance national and local flood risk management.

Some risk management authorities have expressed an interest in taking on responsibility for Main River where flood consequence is low, and where the watercourse in question is not associated with major rivers or major population centres. Through the 'Rationalising the Main River Network' (RMRN) project we are taking forward five 'Pilot sites' where we have identified watercourses that may be better re-classified as ordinary watercourses - which we term de-maining.

Where we are proposing the de-maining of a watercourse, de-maining will only proceed if any assets held by us associated with the watercourse are either decommissioned or transferred. This approach ensures that we do not retain any contingent liabilities on watercourses which become ordinary watercourses following de-mainment, and also makes sure that we avoid situations in which we would – as a result of not transferring land in the locality of the watercourse – retain riparian ownership while not having any permissive powers in relation to flood risk management. As a consequence, the delivery of our strategic priorities for river networks and asset management is subject to assets being transferred or decommissioned. Where a watercourse is appropriate for de-mainment but transfer of assets cannot be agreed, then de-mainment will not take place.

De-maining will allow greater empowerment of local partners such as Internal Drainage Board (IDBs) and Local Authorities (LAs) to undertake river maintenance. De-maining is most appropriate for watercourses that are in low flood risk areas that are not associated with major rivers or populated areas. In these areas willing local partners could carry out day to day maintenance of watercourses. There are real benefits for local partners in taking on responsibility for watercourse maintenance.

For example it provides opportunities to:

- Make decisions that are centred on their local community's needs.
- Use local knowledge and experience to undertake watercourse maintenance
- Improve local flood risk management where we cannot justify investment of government funding
- Access alternative funding streams for example, the Countryside Stewardship Scheme.

If these pilots are successful they will help pave the way for further de-maining, allowing for greater empowerment of local partners to undertake river maintenance and will help to ensure that the right people are managing the right watercourses and assets in the right places.

Watercourse details

The South Forty Foot Operational Catchment, within the Witham Management Catchment, is a rural fenland system drained artificially through a network of pumping stations, drainage ditches and embanked watercourses. There is also a significant area of higher ground, which drains rapidly towards the fens. The main route that both river and drainage water exit the catchment is via the South Forty Foot Drain main river, which outfalls to the River Haven in Boston at the Black Sluice complex. The catchment contains approximately 300km of main rivers.

This project is looking at de-maining 7 stretches of watercourse (a total of 22.6km):

1. Ewerby Catchwater (2.6km)
2. Cliff Beck (4.2km)
3. Northland Dyke (0.9km)
4. Horbling Catchwater & Horbling New Cut and Diversion (3.7km)
5. Pointon Lode (3.2km)
6. Atkinsons Cut (2km)
7. Car Dyke North (6km)



The watercourses to be de-mained fall into 3 systems. The FR/01/S057 system, which contains Cliff Beck, is a low consequence system, with no raised defences and very few properties at risk. The FR/01/S056 system, which contains Ewerby Catchwater, is a medium consequence system principally due to risks along the Long Skirth Drain which not only carries water from the highlands to the South Forty Foot but also takes flows direct from an IDB pumped catchment. However Ewerby Catchwater itself has zero properties at risk along it. The FR/01/S055 system, which contains all the other watercourses detailed above, is a high consequence system. This is due to the South Forty Foot Drain being a defended arterial carrier with the town of Boston situated at its outfall in The Haven. However, the watercourses themselves are low consequence due to the limited or zero number of properties located along their lengths, with surrounding land being largely agricultural.

In terms of properties at risk of flooding, please see the table below. This is based on the number of properties within the flood plain for each watercourse. Where there is a 0 it is due to no properties being within the floodplain, or no discernable floodplain being present.

| Watercourse Name | Number of properties |
|------------------|----------------------|
| Ewerby | 0 |
| Cliff Beck | 2 |
| Northlands Dyke | 0 |
| Horbling Stretch | 2 |
| Pointon Lode | 17 |
| Atkinsons Cut | 0 |
| Car Dyke North | 26 |

All the identified watercourses for de-maining are currently managed by Black Sluice IDB under a Public Sector Cooperation Agreement (PSCA). The IDB currently manage approximately 78km of Main River in their area under PSCA, in addition to the ordinary

watercourses maintained by them. Work to date has been carried out effectively and efficiently, which is expected to continue once the watercourse and assets are transferred. To realise efficiencies, it is anticipated that Black Sluice IDB will take over maintenance of the outlined tributaries in full.

There are ten assets to be transferred with the de-maintenance of these watercourses in the form of two access bridges, one sluice structure and seven designated floodbanks. See full details in table below. Subject to approval of the Short Form Business Case, the IDB will take over responsibility for the assets as part of the de-maintenance handover.

Asset details

| Watercourse | Asset type | Information |
|----------------------------|-----------------------------------|---|
| Cliff Beck | Bridge, ID L/O19/VA/N | The bridge was constructed in September 1995 as a field access track to both sides of the watercourse for maintenance needs. It is a single span bridge of approximately 8m and was last inspected in January 2015 with minor repairs of £3,000 as a result. There is no EA land holding at this location. The bridge would cost approximately £50,000 to build from new and has a lifespan of 20 years left. |
| Horbling Catchwater | Bridge, ID 326442 | The bridge was constructed in 2007 for access from the highway across the watercourse more maintenance access needs. It is a single span bridge of approximately 8m. A planning consent was submitted by the EA and approved in 2007, and there is no documentation stating it is owned by anyone other than the EA therefore liability for the structure remains with the EA. There is no Environment Agency land holding at this location. The bridge would cost approximately £50,000 to build from new and has a lifespan of 30 years left. |
| Horbling Catchwater | Floodbank, 200m ID 81801 | This short section of designated floodbank is located on the left bank. There are no properties within 20 metres of the structure. |
| Horbling New Cut/Diversion | Floodbank, 1.1km ID 490394, 90341 | The raised floodbank runs along both sides of the channel downstream of Rookfield House and was constructed to alleviate flooding of the highway, land and an IDB pumped catchment in the 1970's. |
| Atkinsons Cut | Sluice (penstock), ID 448301 | This small, penstock sluice is located at the top of of Atkinsons Cut. Whilst it is inspected regularly it has never been opened since its construction, and only has a flood risk benefit as a closed structure. If the structure were opened during a high rainfall event it is not known what the impact would be to the area directly behind the sluice. There are 2 properties within 20 metres of the structure, including due precautions and investigations needed before changing current operation of the sluice. |

| | | |
|-------------------|--------------------------------------|---|
| Atkinsons Cut | Floodbank, 3.2 km ID 160789 / 160969 | The raised defence runs along both sides of the channel. There are no properties within 20m of the structures or within the watercourse floodplain. |
| Ewerby Catchwater | Floodbank 0.8km ID 82534 / 87012 | The raised defence runs along both sides of the channel. There are no properties within 20m of the structures. |
| Northlands Dyke | Floodbank, 0.3km ID 97169, 98739 | The raised defence runs along both sides of the channel. There are no properties within 20m of the structures or within the watercourse floodplain. |
| Pointon Lode | Floodbank, 5.6 km ID 83256, 83274 | The raised defence runs along both sides of the channel downstream of Little Wisbeach. There is one property located within 20m of the structures. |
| Car Dyke North | Floodbank 1.3km ID 82721, 98761 | The raised defence runs along both sides of the channel. There are no properties within 20m of the structures. |

The Environment Agency has limited involvement with both bridges (Horbling Catchwater and Cliff Beck).

In summary:

- We do not own the freehold or leasehold of the land beneath the assets.
- No rights of easement have been agreed or recorded between the land owner and the EA the Environment Agency.
- We have no formal documentation which states that either the Environment Agency or landowner formally owns the asset. However the Environment Agency did submit the consent for the bridge on the Horbling Catchwater.
- We constructed both assets and believe liability and operational responsibility remains with the Environment Agency.
- We have previously conducted minimal maintenance around the assets which includes inspections.

In this situation, and as there is limited documentation and we have no evidence to suggest otherwise, we are by default the maintainer of the asset and therefore have a liability to ensure the asset is compliant from a health and safety perspective. From this investigation into the background of both bridges we have been able to establish national guidance on the transfer of assets with minimal information.

1.3. Economic case

Options considered (to present value)

| Option | Description | Benefits delivered / Risks involved | Ranking | Reason for short list or rejection |
|--------|--|---|---------|---|
| 1 | EA retain operation and ownership of the assets and continue management with minimal intervention | EA would retain long term H&S liability. In the medium term, the removal of the sluice would be required. Funding for minimal H&S inspections and minor safety works would also be required. | 3 | Option rejected Estimated cost of this option discounted over 30 years = £278,072.58* <i>*This figure includes 20% contingency</i> |
| 2 | Full EA decommission to remove structures (excluding floodbanks) | No long-term asset liability would remain. Therefore no H&S maintenance would be required. De-mainment of the watercourse could continue. Cost of full decommissioning's and removal of both bridges and the sluice is high. | 2 | Option rejected Estimated cost of full decommissioning and removal discounted to Year 3 = £96,353.82* <i>*This figure includes 20% contingency</i> |
| 3 | Asset transfer costs – EA hands over the assets to IDB as part of the de-mainment process & the asset continues to be managed with minimal intervention by the IDB | Asset liability no longer resides with the EA. EA only have to supply funding for 2 years maintenance & removal of liability. This is the cost of removal. De-mainment of the watercourse can continue. | 1 | Option selected Total overall cost of the asset transfer to the Black Sluice IDB = £83,320* <i>*This figure does not include contingency. Note that present value and cash cost for this option are the same.</i> |

Option 1 - EA retain operation and ownership of the asset and continue management with minimal intervention.

Option would make de-maining of the watercourse difficult as we would retain assets with no permissive powers. This would mean that annual maintenance costs would remain with the EA. The figure for annual maintenance of all assets (including asset inspection costs and health and safety costs) based on the National Maintenance Standards is a total of £11,283. According to maintenance records, the combined age of the assets is 30 years. For the floodbanks, this is the lifespan before they degrade enough to fail an asset inspection. For this 30 year period this equates to £278,072.58. There would be no legal or estates time required for this option.

Total cost of this option over next 30 years = **£278,072.58***

**This figure includes 20% contingency discounted to year 30.*

Option 2 - Full EA decommission and remove structure (excluding removal of floodbanks)

This option would require removal of the two bridge structures, and removal of the sluice structure and replacement with an earth embankment in the medium term to ensure that the site remains safe. Floodbanks would not be decommissioned, but we would no longer use out permissive powers to maintain them.

Additional measures would be required to safely remove the Horbling Bridge in the form of traffic control as it is located alongside a highway. An excavator and fencing would also be required for removal of both bridges and the sluice.

There would be no legal or estates time required for this option.

Estimated cost of full decommissioning and removal is approximately = **£96,353.82***

**This figure includes 20% contingency discounted to Year 3.*

Option 3 – Transfer to Black Sluice IDB

Option fulfils all of the strategic aims of the Environment Agency when seeking to de-main a watercourse (and as set out for the Rationalising the Main River Network project). This option removes the costs and risks associated with long term H&S liabilities. Option costs are comparable to Option 2 as part decommissioning or making the site safe is not an option with these structure.

Total cost of 3 year maintenance (including floodbanks) = **£33,850**

Total estimated costs of removal of two bridges and sluice (excluding floodbanks) = **£49,470***

**This figure does not include legal and estates costs to facilitate the transfer of the asset to the IDB. This figure does not include any contingency as the cost has been calculated using the agreed calculation with Defra and no construction risk/contingency is required under this option.*

Total overall cost of the asset transfer to the Black Sluice IDB = **£83,320**

(£33,850 + £49,470)

| Opt | Description | EA revenue costs £k | EA capital costs £k | Net position £k |
|------------|---|--------------------------------|--------------------------------|----------------------------|
| 1 | <i>EA continue management with minimal intervention (Discounted to Year 30)</i> | 218.80 | 0 | 218.80 |
| 2 | <i>Full decommissioning of site (Discounted to Year 3)</i> | 42.89 | 53.45 | 96.35 |
| 3 | <i>Asset Transfer as part of de-mainment (takes place in Year 0)</i> | 33.85 | 49.47 | 83.32 |

Note: A more detailed financial breakdown is included in Appendix 1

Preferred way forward

The preferred way forward is Option 3 which is the only option that fulfils the requirements of the strategic case and supports the RMRN Project, including being the cheapest option.

Also, provision of this financial contribution for the legal transfer of assets is in line with the EA Maintenance Protocol and follows the agreed approach by EA and Defra on investing in the transfer of uneconomic assets to save future costs (Appendix 3).

The assets would be transferred to the Black Sluice Internal Drainage Board (IDB) as part of the Rationalising the Main River Network Project. This option supports the de-mainment of 22.6km of tributaries in the upper reaches of the South Forty Foot Catchment. The assets will continue to be managed by the IDB with minimal intervention; however liability will no longer reside with the Environment Agency.

The Black Sluice IDB have provided a verbal agreement of the adoption of this approach.

1.4. Commercial case

No commercial arrangements are required as the preferred option requires no works. Contractual arrangements and transfer of assets are determined through existing Environment Agency arrangements and with legal and estates teams.

State Aid rules do not apply to asset transfer as advised by our Legal team.

1.5. Financial case

Revenue costs

The table below depicts the costs attributed to revenue funding and are not associated with the asset transfer option costs.

| Annualised spend profile (£k) | Yr 0 | Yr 1 | Yr 2 | Yr 3 | Yr 4+ | Total |
|--------------------------------------|-------------|-------------|-------------|-------------|--------------|--------------|
| <u>Project set up</u> | | | | | | |
| - Internal staff costs | | | | | | |
| - 50% of Pilot lead post | 17k | 0 | 0 | 0 | 0 | 17k |
| - Legal | 2k | 0 | 0 | 0 | 0 | 2k |
| - Estates | 2k | 0 | 0 | 0 | 0 | 2k |

Capital costs

The table below depicts the cash costs associated with transferring the assets.

| Annualised spend profile (£k) | Yr 0 | Yr 1 | Yr 2 | Yr 3 | Yr 4+ | Total |
|--------------------------------------|-------------|-------------|-------------|-------------|--------------|--------------|
| - External fees | 0 | 0 | 0 | 0 | 0 | 0 |
| - Other goods/services | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Transfer costs</u> | | | | | | |
| - Calculated sum | 83.3k | 0 | 0 | 0 | 0 | 83.3k |
| - Capital works | 0 | 0 | 0 | 0 | 0 | 0 |
| - Risk contingency | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Future costs:</u> | | | | | | |
| - Revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| - Capital | 0 | 0 | 0 | 0 | 0 | 0 |
| Project total | | | | | | |
| <u>Breakdown</u> | | | | | | |
| - capital | 83.3k | 0 | 0 | 0 | 0 | 0 |
| Project total | 83.3k | | | | | 83.3k |

Funding for the transfer will be provided by the Effectiveness Initiative allocation which is managed by the National Portfolio Team. The team is led by Sally Sudworth (budget holder) and delivers projects for Jim Barlow's Asset Performance and Engineering Team.

1.6. Management case

The sections below details the key roles in delivering the Rationalising the Main River Network Project.

Project Executive

- Oversight of the asset transfer process and quality assuring the decision for transfer.
- Signing off the Business Case for transfer.
- Signing off approval to seek funding to transfer the assets.

Pilot Lead Officer

- Facilitates the empowerment of local partners such as Internal Drainage Boards (IDBs) and Local Authorities (LAs) to take on additional watercourse maintenance and assets where they wish to do so.
- Negotiating with the IDB over terms of transfer and agreeing financial settlement for transfer.
- Engaging with National RMRN Project Team, Legal and Estates over land holding and legal agreements required for transfer of the asset.

Project milestones

| Milestone Description | Estimated Start date | Estimated End date | Asset to be created? | Budget Required (£k) |
|-----------------------------|----------------------|--------------------|----------------------|----------------------|
| Defra criteria signed off | June 2016 | October 2017 | No | 0 |
| Asset Transfer Pack created | August 2017 | Jan 2018 | No | 0 |
| Asset Transferred to IDB | January 2016 | July 2018 | No | 84k |

Benefits realisation

The table below depicts the benefits from transferring the asset.

| Activity | | Total (£) |
|----------|--------------------------|--------------------|
| 4.1 | Sale of land | 0 |
| 4.2 | Sale of equipment | 0 |
| 4.3 | Reclamation value | 0 |
| 4.4 | Revenue and time savings | £218,800.45 |

The non-monetary benefit of the preferred option is that once asset transfer has been agreed, de-maining will be able to take place. The revenue time saving is 30 years discounted maintenance cost. The legal agreement will ensure there is no provision for future funding related to the assets from the EA.

Key risks

| | Key Risks | Owner & role | Mitigation | Post mitigation Likelihood /impact (H/M/L) | Value |
|---|--|--|---|---|--------------|
| 1 | Defra Criteria is not signed off | National | | Likelihood = M Impact = H | |
| 2 | IDB do not accept assets | Area PSO | Provide consistent communication and engagement with IDB | Likelihood = M Impact = M | |
| 3 | EA and IDB unable to agree terms of transfer | Area PSO | Provide consistent communication and engagement with IDB | Likelihood = M Impact = M | |
| 4 | Business case fails assurance/ approval | Area PSO/ National Asset and Allocation team | Area Lead to work with Asset Allocation Lead to ensure Business is compliant. | Likelihood = L Impact = H | |
| 5 | IDB regretting transfer after completion | Area PSO/ National Asset and Allocation team | Area PSO to work with IDB to ensure they are satisfied with the details of transfer | Likelihood = L Impact = H | |

Assurance & Approval

We have conducted an internal consultation with a number of teams within the Environment Agency including Partnership and Strategic Overview, Asset Performance, Operations Field Teams, Fisheries Biodiversity and Geomorphology, Estates and Legal. Internal Teams are supportive of transferring this asset as this will remove the Environment Agency's Health and Safety liability for the structures. It will also reduce maintenance requirements within the catchment, particular for low consequence watercourses that pose little to no flood risk to people and property. This will allow funding and resource to be directed elsewhere, whilst the watercourses are maintained by a more appropriate RMA given the agricultural benefit of them.

We will continue to engage with key internal and external stakeholders up until the formal consultation. We will conduct formal consultation in autumn in relation to the de-mainment of the watercourses and transfer of any assets.

The approval route for this Business Case will be via light LPRG. This will be one of a number of Asset Transfer Business Cases being progressed as part of the National Rationalising the Main River Network Project.

Transfer of the assets is being supported by an Asset Transfer Pack and a Legal Agreement. These documents will contain all the information that the Environment Agency holds on the asset including land holdings and rights of easement.

The asset will be formally transferred, to the Black Sluice IDB, at the end of the Decision Notice period when the Main River Map is formally changed.

1.7. Recommendation

This Short Form Business Case is to seek Financial Scheme of Delegation (FSoD) approval for the sum of £83,320 to transfer the associated assets on selected South Forty Foot tributaries to the Black Sluice Internal Drainage Board in accordance with the Environment Agency's Maintenance Protocol. This transfer is part of the Rationalising the Main River Network Project and follows the agreed approach by Environment Agency and Defra (See Appendix 3) on investing in transfer of uneconomic assets to save future costs.

The recommendation is to progress with transferring the assets to the Black Sluice Internal Drainage Board and provide funding for removal of site risk (£84k). This low cost option provides maximum benefit for the area FCRM teams and the Black Sluice IDB. The sluice structure as already been operationally decommissioned, and transferring the sluice, two bridges and floodbanks would remove the longer term liability from the Environment Agency.

We currently complete a targeted risk-based approach to maintenance of all watercourses in the South Forty Foot catchment. The 7 watercourses to be de-mained are of low consequence with minimal or no properties at risk of flooding from the watercourse. Current maintenance works include in-channel clearance, and regular maintenance and H&S cuts of the floodbanks. Transferring the assets would mean we are able to de-main over 22km of upper-reach tributaries in the South Forty Foot Catchment helping to achieve the objectives of the wider Rationalising the Main River Network project.

All identified watercourses for de-maintenance are currently managed by the Black Sluice IDB under a PSCA. The IDB also manage other watercourses in the catchment under this PSCA, including the high-consequence main river artery the South Forty Foot Drain. Transferring the assets and watercourses would result in efficiencies by the IDB managing watercourses that have a primary land drainage function.

The resource we would save through transferring the assets and watercourses will be redirected to additional work elsewhere in the area. This additional revenue will be allocated to work that will reduce flood risk to the greatest number of people and property. It will also be used to improve our asset data and make sure that we invest in our existing asset infrastructure so that it's fit for purpose into the future and continues to provide flood protection for our local communities. The reduction in maintenance need will also contribute to finding efficiencies within the programme, and reduce the risk of unfunded systems in future programme years.

List of key consultees e.g Finance Business Partner, NEAS, NE, Procurement, Legal etc

| Name | Date | Key outcomes from consultation |
|---|--|--|
| Black Sluice IDB | August 16 onwards | The IDB have been engaged throughout the process and have provided a verbal agreement to the adoption of the assets. |
| Lincolnshire County Council | August 16 onwards | LCC have been provided with an update on the project, and will be engaged further before the formal consultation. NO objections have been received so far. |
| Parish Councils | Informal & Formal consultation Autumn 2017 | The Parish Councils will be engaged fully before the formal consultation to ensure there are no objections. |
| Members of the Public | Informal & Formal consultation Autumn 2017 | Landowners and property owners directly affected by the project outcomes will be engage one to one with the support of the IDB. All other members of the public will be engaged during the informal and formal consultation. |
| Legal | August 16 onwards | Legal have supported the transfer of assets throughout the business case process and will continue to support on the legal agreement. |
| Estates | August 16 onwards | Estates have helped identify if assets our EA owned and will continue to provide support on any associated land transfer. |
| Asset Performance & Fields Teams | Summer 16 onwards | Both teams have been engaged throughout the process, providing key information on the assets and watercourses. They will continue to be closely involved in the project, in particular creation of the handover packs. |
| Area Leadership Team | June 2017 | Relevant ALT were provided with a full update on the 30 June 2017 and will continue to be updated as and when necessary. |
| Fisheries, Biodiversity & Geomorphology | January 17 onwards | To ensure environmental concerns are addressed, FBG will be involved with completion of the DMF and the handover packs for all watercourses. |

I confirm that the documentation is ready for submission to LPRG.

I, as Project Executive, have ensured that relevant parties have been consulted in the development of this project and the production of this submission in particular the Project Sponsor and Senior User.

| | |
|-------------------------|------------------------------------|
| Name | Kate Halka |
| Job Title | Operations Manager – Lincolnshire |
| Emailed approval | Email sent 19 July 2017 @ 13.05hrs |
| Date | 19 July 2017 |

DRAFT

Appendix 1 – Financial (cash) costs of interventions

Cliff Beck Bridge - 3 Years of Financial Maintenance Costs

| Maintenance | | Y1 | Y2 | Y3 | Total |
|-------------|---------------------------------|----|----|----|-------|
| 1 | Structure Vegetation Management | 0 | 0 | 0 | 0 |
| 2 | Basic H&S maintenance | 0 | 0 | 0 | 0 |
| 3 | Asset Inspection | 0 | 0 | 0 | 0 |
| | | | | | 0 |

Cliff Beck Bridge - Structure Removal and Residual Handover

| Activity | Resource | Plant | Materials | Total | |
|----------|------------------------------|--|--|---|--------|
| 1 | Scheme Design | 25hr tot x £40/hr | | 1000 | |
| 2 | Site Mobilisation & Set-up | Heras fencing erect and x 2 wks & deliv excavator and provision RAMS | | £1750 | |
| 3 | Welfare | 2wks welfare van | | £900 | |
| 5 | Removal of Bridge | Banksman and lab x 2 wks £4000 | 2 wks 20t exc with breaker £3600 | Silt trap materials £200, timber fencing either side on completion £200 | £8000 |
| 6 | Disposal of waste | | Lorry x 3 days £1200, | Tip costs, 120t x £30/t= £3600 | £4800 |
| 7 | Site Demobilisation | | Exc and heras fence removal, 2 lab x 1 day tidy up | | £650 |
| 8 | Legal and Estate Negotiation | Typical cost of completing etc | | | £2000 |
| | | | | Total | 18,470 |

| | | | | | |
|---|--------------------|--|--|--------------|----------------|
| 9 | Project risk @ 20% | | | | £3820 |
| | | | | Total | £22,290 |

Horbling Bridge - 3 Years of Financial Maintenance Costs

| Maintenance | | Y1 | Y2 | Y3 | Total |
|-------------|---------------------------------|----|----|----|-------|
| 1 | Structure Vegetation Management | 0 | 0 | 0 | 0 |
| 2 | Basic H&S maintenance | 0 | 0 | 0 | 0 |
| 3 | Asset Inspection | 0 | 0 | 0 | 0 |
| | | | | | 0 |

Horbling Bridge - Structure Removal and Residual Handover

| Activity | Resource | Plant | Materials | Total | |
|----------|---|---|--|--|---------------|
| 1 | Scheme Design | 25hr tot x 40hr | | £1000 | |
| 2 | Site Mobilisation & Set-up incl' traffic management | Heras fencing erect and x 2 wks, hire exc delivery, provision RAMS, | Traffic management x 12 days at £300/day | £5350 | |
| 3 | Welfare | | Welfare van x 2 wks | £900 | |
| 5 | Removal of Bridge | 2 x labourer x 2 wks - £4000 | Exc x 2wks -£3600, | Silt trap materials £200 £7800 | |
| 6 | Disposal of waste | | Lorry x 3 days - £1200 | Approx. 75t x £30/t tip - £2250 £3450 | |
| 7 | Site Demobilisation | | Exc removal and 2 lab x 1 day tidy up | £650 | |
| 8 | Legal and Estate Negotiation | Typical cost of completing etc | | £2000 | |
| | | | | Total | 21,240 |
| 9 | Project risk @ 20% | | | | £4230 |

Total**£25,470****Atkinson Cut Sluice (penstock) - 3 Years of Financial Maintenance Costs**

| Maintenance | | Y1 | Y2 | Y3 | Total |
|-------------|---------------------------------------|----|----|----|-------|
| 1 | Structure Vegetation Management | 0 | 0 | 0 | 0 |
| 2 | Basic H&S maintenance | 50 | 50 | 50 | 150 |
| 3 | Asset Inspection | 0 | 0 | 0 | 0 |
| | | | | | 150 |

Atkinson Cut Sluice (penstock) - Structure Removal and Residual Handover

| Activity | Resource | Plant | Materials | Total | |
|----------|---------------------------------|---|-------------------------------------|---|------|
| 1 | Scheme Design | 25hr x £40 | | £1000 | |
| 2 | Site Mobilisation & Set-up | Exc to site, heras fencing and RAMS | | £1750 | |
| 3 | Welfare | | | | |
| 4 | Removal of sluice structure | 4 days x 2 lab £1600 | 3 days exc £1440 | Concrete to plug end of pipe £200 | 3240 |
| 5 | Construction of earth dam | 2 days x 2 lab £800 | 2 days exc £720 | Import 20t fill at £20/t £400 | 1920 |
| 6 | Disposal of waste | | | £200 | 200 |
| 7 | Site Demobilisation | 2 lab x day tidy up £400 | exc and fence removal £250 | | 650 |
| 8 | Legal and Estate Negotiation | Assuming we are closing off a freshwater feed type sluice and need to formally tell someone | | | 1000 |

| | | | | | |
|----------|---------------------------|--|--|--------------|---------------|
| | | | | Total | 9760 |
| 9 | Project risk @ 20% | | | | 1752 |
| | | | | Total | 11,512 |

Flood Embankments (12.5km) - 3 Years of Financial Maintenance Costs

| Maintenance | | Y1 | Y2 | Y3 | Total |
|--------------------|--|-----------|-----------|--------------|---------------|
| 1 | Structure Vegetation Management | 10,500 | 10,500 | 10,500 | 31,500 |
| 2 | Basic H&S maintenance | 0 | 0 | 0 | 0 |
| 3 | Asset Inspection | 0 | 0 | 2,300 | 2,300 |
| | | | | Total | 32,700 |

Flood Embankments - Structure Removal and Residual Handover

NOT APPLICABLE

Appendix 3

Assessing the Environment Agency "invest to save" contribution to enable transfer of assets to other risk management authorities

This note explains our approach to the level of invest to save funding that can be invested to enable the negotiated transfer of FCRM assets to other risk management authorities. The source of funding for any such transfer will require separate agreement and any negotiation on transfer can only be concluded once the source of funding is approved.

Where both the Environment Agency and the LA/IDB are enthusiastic for change and there are no issues about the condition of the assets or expectation of funding, invest to save funding issues do not arise.

De-maining, or any asset associated transfer, is effectively a transfer of function from the Environment Agency to a local authority, IDB or other responsible body; in most cases, from one public body to another. While this may involve a saving for Environment Agency it will only create an economic gain if a) the other body does the same work more cost effectively or can deliver wider benefits from their investment, or b) the funding released is used by the Environment Agency to produce a greater economic benefit.

In a situation where the cost of maintaining or replacing an asset is greater than the economic benefits we will use our maintenance protocol to discuss the options for further ownership and maintenance with local stakeholders and partners. We will provide every opportunity for others to take on the ownership and maintenance of the asset if they want to keep it in working order.

Ultimately the Environment Agency will seek to stop any uneconomic work as soon as reasonably possible unless there is a clear legal barrier. However, we have liabilities and withdrawing from assets, even those that are uneconomic, can require us to decommission operational sites; to make them safe and comply with any legal obligations. Decommissioning costs will vary according to circumstances, such as land ownership, legal obligations, etc. In the extreme, it may require the asset to be demolished and the land reinstated to a previous condition. This all needs to be taken into account when we decide what to do.

When considering future options for the management of an asset (where continuation of the current approach is uneconomic) the reference or base line option against which other options will be appraised will be to:

1. The cost of continued operation of the asset for a period until decommissioning could be completed (typically 3 to 5 years), and
2. The cost of decommission and meeting any other legal obligations.

The business case for investing in the transfer of assets will be based on these considerations. Investing to save may be justified if it allows the Environment Agency to transfer an asset, by agreement, to another body which is better placed to manage it (or otherwise enables the Agency to stop uneconomic spending) if costs are less than, or the same as, the above reference or baseline option.

Jim Barlow, April 2016

Black Sluice Pumping Station
Asset transfer costing pro forma (Rev 2 Aug 2016)
 Updated: March 2017

Maintenance Costs - 3 Years

| Maintenance | | Detail | Y1 | Y2 | Y3 | Total |
|-------------------|-------------------------------|---|---------|---------|---------|----------------|
| 1.1 | Annual Maintenance Cost | If the asset is maintained by our field teams this will be costs from SAMPs or from CMMS via the MEICA team for MEICA Assets. If the asset is maintained using external contractors, please use this cost, however an allowance for contract management should be included. | £129.62 | £144.72 | £229.72 | £504.06 |
| 1.2 | Intermittent Maintenance Cost | Intermittent maintenance costs with a frequency up to 3 years should be included. Maintenance at greater frequency should not be included | £0.00 | £0.00 | £0.00 | £0.00 |
| Total (£k) | | | | | | £504.06 |

Costs for Asset Transfer

| | Detail | Total (£) |
|--------------|---------------------------------|--|
| 2.1 | Legal & Estate Costs | Includes all costs for transferring the asset such as legal and estates, as well as for transferring relevant licences. £10,000.00 |
| 2.2 | Assuring legislative compliance | Includes costs for compliance with any legislation or regulations which will be required before the asset can be transferred. inc above |
| Total | | £10,000.00 |

Cost of Decommissioning

| Activity | Detail | Total (£) |
|--------------|--|---|
| 3.1 | Design | Includes CDM Paperwork, Temporary works design inc in 3.4 |
| 3.2 | Site Management | Includes welfare and contractors management staff. inc in 3.4 |
| 3.3 | Mobilisation and demobilisation costs, including temporary works | Includes mobilisation and demobilisation costs and temporary works (Inc. over-pumping). inc in 3.4 |
| 3.4 | Decommissioning of the Asset | Including labour, materials and disposal costs for removal of all equipment, removal of services and making safe confined spaces. £220,500.00 |
| 3.5 | Disposal of the Asset (if required) | Includes all demolition costs and removal and disposal of materials, e.g. concrete, rubble and sheet piles. inc in 3.4 |
| 3.6 | Legal & Estate Costs (includes permits and licences) | £11,025.00 |
| 3.7 | Risk (XX%) | £23,152.50 |
| Total | | £254,677.50 |

5%
10%

Benefits from Decommissioning

| Activity | Detail | Total (£) |
|--------------|-------------------|--|
| 4.1 | Sale of land | Valuation for the land including any remaining structures £40,000.00 |
| 4.2 | Sale of equipment | Includes resale value of equipment and removable fixtures £0.00 |
| 4.3 | Reclamation value | Includes reclamation values for scrap / recycled materials e.g. concrete, rubble and sheet piles. £19,600.00 |
| Total | | £59,600.00 |

Total liability cost for Decommissioning

| | Detail | Total (£) |
|--------------|-------------------------------------|--------------------|
| 5.1 | Total costs for Decommissioning | £254,677.50 |
| 5.2 | Total benefits from Decommissioning | £59,600.00 |
| Total | | £195,077.50 |

(NB AJ added, no part of pro forma)

| | |
|-------------------------------|-----------------|
| FINAL COST | |
| 3 years maintenance | £504,060 |
| Decommissioning costs (total) | £195,077.50 |
| | £699,138 |

Breakdown of Annual Maintenance Costs (provided by AC 3.3.2017)

NOT COUNTING 16/17 NOW

Black Sluice Running Costs

| | 2016/17 Sources | 2017/18 Sources | 2018/19 Sources | 2019/20 Sources |
|---|------------------------------|------------------|------------------|-------------------|
| Services | (Building services) | | | |
| Gas Oil | (Pump engine running costs) | | | |
| Service level delivery | (Pump station attendants) | | | |
| In year Parts and Materials (engines and Building) | | | | |
| Intermittent Works (Engines and Ancillary Equip.) | | | | |
| Grounds Maintenance | | | | |
| | 3700 M&E Est | 3900 Energy | 4000 Energy | 4000 Energy |
| | 21000 M&E Est | 22000 Fuel Allow | 22000 Fuel Allow | 22000 Fuel Allow |
| | 75000 M&E Est | 48500 Samps | 48500 Samps | 48500 Samps |
| | 10000 M&E Est | 52720 AIMS CM | 52720 AIMS CM | 52720 AIMS CM |
| | 105000 M&E Est | 0 | 15000 Htg works | 100000 Eng refurb |
| | accounted | 2500 Samps | 2500 Samps | 2500 Samps |
| | above | | | |
| | 214700 | 129620 | 144720 | 229720 |
| Annual Average running costs | | 179690 | | |

Reclamation value
 Old engines (from Jamie Rodgers)
 37 tons plus 11 tons for each gear box = 144 tons
 New engines 15 tones plus 11 tons for each gear box = 52 tons

TOTAL 196 tons
 Scrap metal value ~£100 a ton £19,600

Decommission Costs (Mott McDonald - Simon Golds)

| | Decommissioning of Black Sluice pumping station | Including permanently isolating redundant units and providing civil works to make station safe where equipment is removed | MM estimate based upon previous experience |
|--|--|---|---|
| | Decommission Station, remove all bulk fuel and oil from redundant units. Permanently isolate redundant units and ancillary equipment | Remove pump, gearbox and engine | Estimated cost £13k labour + £5k for tankering fuel off-site and disposal of waste oil etc. |
| | Remove pump, gearbox and engine | | £122,500 |
| | Ensure sufficient building services provision (including frost protection, heating and emergency and general lighting) | | Priced based on quote for Lots Road engine removal project |
| | Provide flooring, handrailing etc to make station safe where equipment removed | | £20,000 Estimated sum for building services works. |
| | | | £60,000 Estimated cost |

Black Sluice Pump Station: Asset Transfer Option

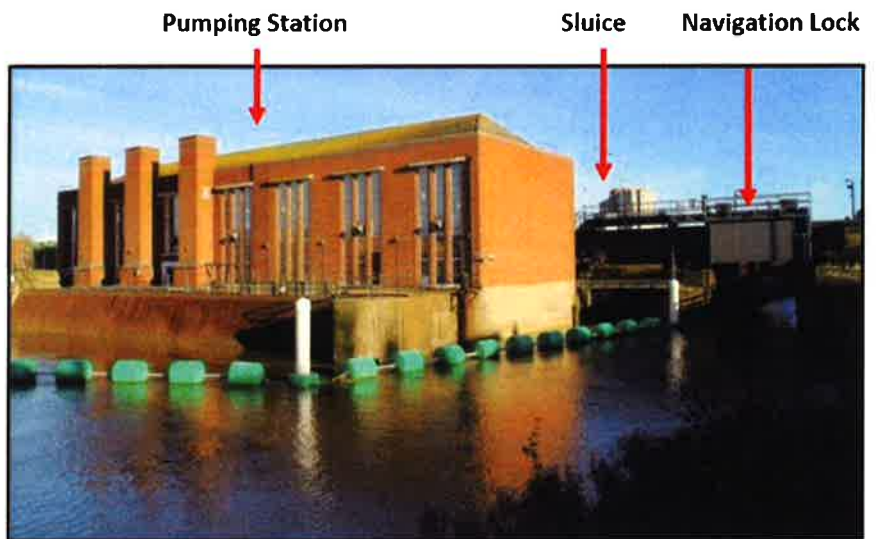
The information in this document is to help inform a discussion with Black Sluice IDB and progress an agreed Heads of Terms.

Background

We ultimately want to ensure that the EA and our partners operate the South Forty Foot system to provide the optimum standard of protection against future flooding in the most sustainable, efficient and resilient way.

In August 2015 we extensively consulted on the Black Sluice Catchment Works project. This project aimed to examine the way that flood risk management was currently undertaken in the South Forty Foot catchment. An element of that was future management of the Black Sluice Pumping Station, as well as wider works on (for example) the SFF Drain banks. This consultation also recognised the use of the sluice and navigational lock for gravitational discharge during high flow times. The consultation concluded that we would investigate how to fund and facilitate a smooth transition of the Black Sluice Pumping Station to the Black Sluice IDB. If this can't be achieved, the pumping station will be decommissioned.

The consultation only proposed the transfer of the pumping station itself, not the rest of the structure which includes the Black Sluice and Navigation Lock. However, the structure has been operated together for many years and so the Environment Agency teams have considered whether it would be possible to transfer more of the structure, or allow operational control, though there are associated legal constraints to consider.



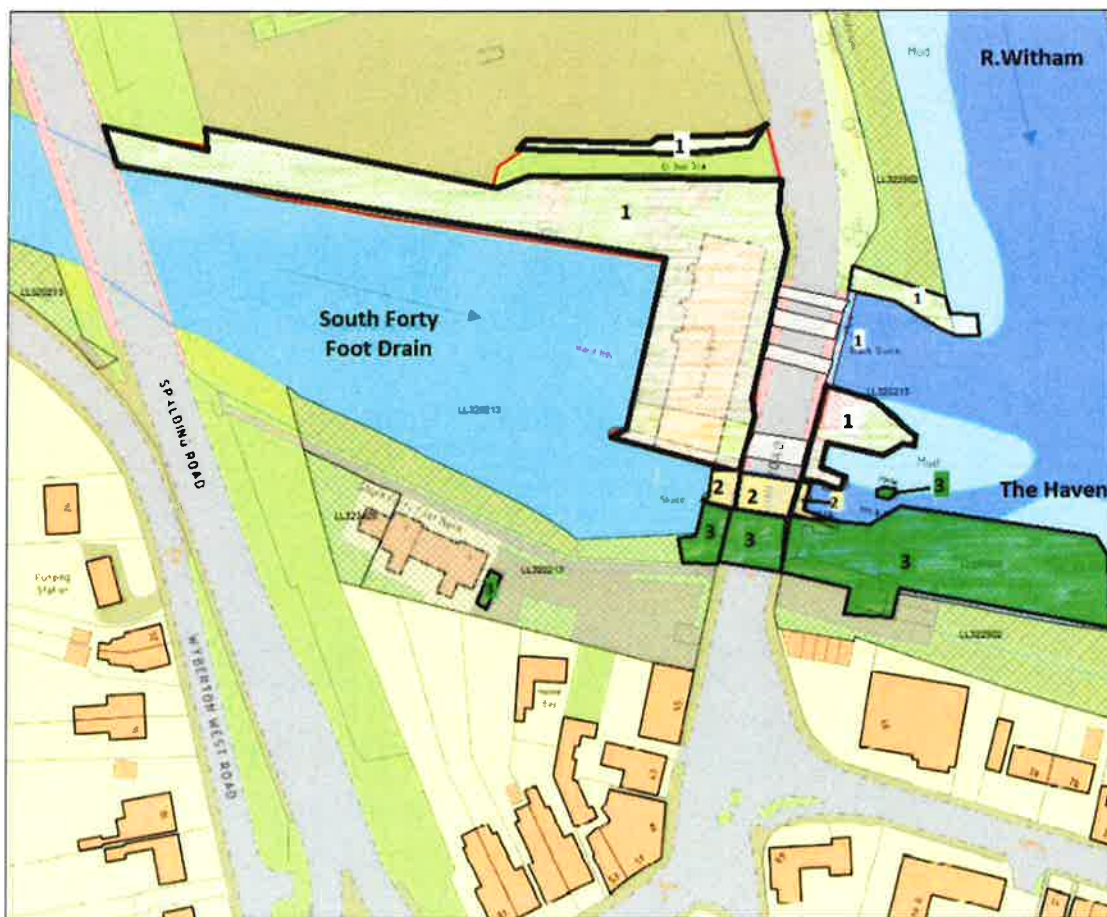
The project is now part of the Effectiveness Initiative as of May 2017. Previously it was part of the Main River Rationalisation Project but was removed as it did not sit directly on a watercourse to be de-mained. The 5 case business model (strategic, economic, commercial, financial and management) will be used, specifically the standard short form business case template.

For discussion with BS IDB

Assets that have been considered for transfer (see map):

- Pump station structure & land (1)
- 5 pumps (2 operational), weed screen, booms and penstocks
- Black Sluice gravity (sluice) gate and boom (2)
- Navigation lock (3) and associated structures
- Flood wall: TBC in terms of structure it is associated with

NOTE: the traffic light and mooring point for boats is not associated with the asset transfer (part of the Boston Barrier Project). The bridge is not an EA owned asset. There is a footpath that runs through land associated with the PS which must be considered during the process to ensure access is maintained.



EA preferred option for transfer

Following a discussion with internal stakeholders, the following preferred option will be taken to BS IDB to progress works on the Black Sluice Pumping Station.

- Asset transfer of the Black Sluice Pump Station (including pumps, building, screens, penstock, boom and associated land) to Black Sluice IDB.
 - EA would retain day-to-day parameters for water levels for the SFF Drain and managing of incident response. EA would also retain ownership of the watercourse and therefore set parameters for the SFF in consultation with the BS IDB (NB: current target levels are 0.0m summer; -0.6m winter; max summer +0.15m and min -1.0m during high flow incidents).
 - IDB would be able to pump water out of the system at times of high flow if the need arose.
 - Based on 5 case business model outcome
- Retain the gravity (sluice) gate under EA ownership, but allow BS IDB operation of the asset via a PSCA.
 - EA would continue to set the parameters for water level for the SFF and IDB would maintain this through day-to-day operation of the sluice. However, the IDB can continue to operate the sluice and pumping station in conjunction negating any requirements to separate various components.
 - EA would continue to apply current incident response procedures.
 - Additional training will be required to operate the sluice.
- Retain the navigational lock under EA ownership and maintenance.
 - Second way of discharging through gravity lock (flood risk benefit)
 - Potential to extend the PSCA to include operation of the navigation lock for gravitational discharge during high flows and over the winter period.
 - Noted that there are legal requirements for minimum water levels to allow boats to navigate through the lock and SFF Drain.

Operational considerations: the water level parameters will likely remain the same for the SFF Drain, though this will be in consultation with BSIDB. Clear operational procedures will be put in place in relation to managing flood risk for local communities in particular.

Note: When the additional 2 pumps were installed at the BSPS in the 1960's, it was under the assumption that the SFF Drain itself would be widened to account for increased flow and velocity rates. See note below from original discussions on the impact of operating all pumps. Erosion has been noted along areas close to the PS on the SFF Drain which may be a result of all 5 pumps operating at once on a regular basis or for prolonged periods.

If the capacity of the pumping station is raised, then the South Forty Foot Drain must be correspondingly widened for two reasons:-

- (1) To avoid the dangerous high velocities that would follow on the increased rate of pumping and
- (11) To take advantage of the lower level at the outfall by correspondingly reducing the flood level throughout the length of the South Forty Foot.

(11)

Source: 'Report to the Lincolnshire Rivers Board Works Committee – Drainage of the Black Sluice Area – F.H. Tomes O.B.E., M. Inst. C.E., M. Inst. W.E. Engineer to the Board - September 1960'

The IDB need to be aware that EA knowledge and competency will gradually reduce post transfer due to us no longer working on the pump station routinely.

EA Officers would work with the IDB to ensure there is confidence for the IDB to make the correct judgement decisions on when they should pump and when they will need to open the Black Sluice. This would be done through training with the IDB at the pump station and go through how they would assess when they would pump prior to transfer.

In terms of access to telemetry, it is not recommended that the IDB have access to Swantel, but will be able to access some live telemetry from the PS. The IDB already have a number of gauging points which would be sufficient for controlling water levels using the PS.

Ongoing access to land: The preferred option is to utilise the EA depot at Spalding or Wyberton for temporary storage of equipment, delivery and collection point.

External buildings are used for storage so the EA may need access to them and an agreement Black Sluice IDB would not store in front of them. (This is likely to be an interim arrangement until after the barrier is built and we regain an area to store within Boston depot and at the barrier site).

The sampling and collection team use the site as a collection point for samples. They will need access to the yard, outbuilding and main building during normal working hours. The Lab courier will need access to the samples in the out-building after normal working hours. It is an on request service so not used on a daily basis.

Environmental considerations:

General considerations for the environment if maintenance of the PS is transferred are primarily around fluctuating water levels in the SFF Drain and tributaries. As the EA will continue to set the parameters for the SFF this should not be a significant issue but should be addressed in any agreement and handover packs associated with the transfer.

Eel Regulations compliance

Eel regulations state that, where there is eel passage along a watercourse, there is a requirement to provide safe eel passage through any new or refurbished structure. This would apply to the BSPS if there were a significant refurbishment of the pumps. In 2015, we undertook an eel investigation on BSPS that concluded best practice is cost beneficial and screening was recommended as the preferred option to be taken forward.

For some sites, best-practice screening is very expensive. We will develop rules to ensure costs are proportionate to achieving our outcomes for eels. The Defra "steer" on using FCRM GiA says that we should only address barriers to eel passage when flood defences are being maintained or improved.

This is a factor that the IDB need to be aware of if the asset is transferred to them in terms of future refurbishment. Further detail on the requirements for refurbishment can be better understood following initial discussions.

Incident response: We would retain the overall responsibility of incident response for the South Forty Foot Drain and Witham catchment. A set of operational procedures would need to be drafted to ensure pre-agreed communication channels and trigger levels are established between IDB and EA on operating the Sluice and pumps.

Wider catchment consideration:

- Water Resources East
- Boston Barrier Scheme
- Water Level Management
- SFF Steering Group plans
- Main River Rationalisation Project
- NFM Swaton

BLACK SLUICE INTERNAL DRAINAGE BOARD

EXECUTIVE COMMITTEE - 31st AUGUST 2017

AGENDA ITEM No 6(c)

BLACK SLUICE (BOSTON) PUMPING STATION
PROPOSED EA PRECEPT REDUCTION

From: Jackson, Abigail [<mailto:abigail.jackson@environment-agency.gov.uk>]
Sent: 02 August 2017 14:08
To: Ian Warsap
Subject: De-maining & BS PS discussion

Dear All,

Thank you for the meeting yesterday on the watercourses and option for the Black Sluice PS. Please find attached copies of the business case for the watercourses to be de-mained for a more detailed discussion internally for BS IDB. Also attached is the current commuted sum estimate though, as discussed, this needs further work to ensure it is accurate so please do not share widely.

So that we are all on the same page the next steps are:

Watercourses for de-maining

- Black Sluice IDB discuss internally and ensure that any outstanding queries are raised with me ASAP. The walkovers will be the main way of addressing concerns. We need agreement on the commuted sum and what is to be transferred before the public drop ins, ideally mid-September.
- Public drop-ins: I will confirm the best locations, but likely Rippingale, Billingborough and one near Ewerby (not Swaton). Plus a stakeholder meeting at the BS IDB Office. We will also be going to RFCC on 20 October, and likely Lincs Strategy Group 2 October to update them. I will be in touch end of August to finalise this with BS IDB and ensure a joint approach to them.
- Pipeline near Horbling: not on EA assets and potentially decommissioned. I will look into this as a priority and, if decommissioned, understand what that would mean for IDB using again.

Black Sluice Pumping Station

- Overall we are in agreement over **what** would be transferred, what would come under PSCA etc. detail to understand still but for the most part all parties are comfortable. I will work with internal folk to clearly state what would be included under a PSCA (and what would sit outside it).
- Black Sluice IDB to discuss the options papers and draft commuted sum. Any questions that need to be answered before this goes to the IDB board for discussion to be raised with me ASAP.
- Commuted sum: EA need to confirm the figures (myself and Ade), in particular intermittent maintenance costs and specifics of the decommission estimate provided by Mott McDonald.
- Eel Regs: go on the option of likely only running 3 pumps (not 5) in the future, I will discuss with Ian Cappitt what this means for eel reg compliance and come back with a statement for the IDB to take forward the discussion.

- Russell will look at the actual resource needed for running the PS and, separately, the sluice in terms of FTE. I will then add this to the commuted sum spreadsheet and share with the IDB. I will also work with Russell too list age of certain parts of the structure, recent works completed (e.g. generator) to get an understanding of longevity for the structure.

There is also an additional action to provide guidance we have on the role of and difference between levy, precept, Highland water and GDC just to clarify spending etc. I will follow this up with Deborah and Mark Bowlt.

So that everyone is aware I am on leave next week so any major questions please let me know by Friday.

Ian W: I will work from your office on Weds 16 so can catch up with Paul about anything then.

Kind regards
Abi

Abigail Jackson
Main River Rationalisation Local Lead
Regional Flood and Coastal Committee Officer
Lincolnshire & Northamptonshire Area
020302 55877 / 07789 271322
abigail.jackson@environment-agency.gov.uk

From: Ian Warsap [<mailto:Ian.Warsap@blacksluiceidb.gov.uk>]
Sent: 10 August 2017 08:12
To: Jackson, Abigail
Subject: De-maining & BS PS discussion
Importance: High

Abi,

Reference BSPS Asset Transfer.

We are preparing papers to go in front of our Board on the 13th September 2017. Having reviewed the BSPS Asset transfer business case costing pro forma (Rev 2 Aug 2016) updated March 2017, I have the following proposal that I would like you to assess with a view to agreeing in order that I can present it to the BSIDB Board (13th September) and in turn to the RFCC for their approval.

We agree to the provisional figures you have provided and generally accept they fall in line with the Defra document, Delivering Benefits Through Evidence, cost estimation for control assets - summary of evidence (report SC080039/R5), that said if you are unable to agree to our proposal we reserve the right to have an independent detailed decommission survey and annual maintenance cost assessment:-

Three years maintenance costs = £504,060
Decommissioning costs = £195,077
Commutated sum = £699,138

Therefore (£699,138/£168,020) 4.16 years before annual maintenance monies (commuted sum) is expended.

Our proposal is to accept the above and seek an evenly split partnering approach by way of receiving a 50% average annual maintenance cost contribution by reducing our current RFCC Precept contribution by an equivalent amount. As per our section 141 notice for 2017/18 the IDB Precept is a contribution to the £31,844,000 levy demanded by the Anglian Northern RFCC intended to be applied to Grant Aided works, non-grant aided works, maintenance works and administration expenses.

You indicate the average maintenance costs are £168,020 with 50% being £84,010, therefore proposed reduction of our current precept by £84,010.

With an annual EA Precept reduction of £84,010 this will give the Board (699,138/84,010) 9 years (8.32) to plan a revenue stream for the future maintenance of the BSPS, therefore our 2018/2019 EA Precept contribution would be £192,542 (£276,552 - £84,010).

The control and management of the sluices and navigation lock would continue as planned through our PSCA.

Additional information:-

Current EA Precept = £276,552
Less agreed reduction in precept = -£84,010
Proposed EA Precept = £192,542
Medium/Low consequence main river maintenance following RMRN = £92,990
High consequence main river maintenance = £100,000
Front line sea defence maintained through FDGiA funding.

I would be grateful for an early response, initially by way of an email which in turn will allow me to prepare for the Board meeting on the 13th September. At the same time I will instruct my Operations Team to contact your staff at the BSPS in order to agree and arrange an increase to the current IDB 'on site BSPS training regime'.

NB; I will be in contact regarding our responses to the de-maining proposals as a separate scenario hopefully next week.

Kind Regards
Ian Warsap.

From: Jackson, Abigail [<mailto:abigail.jackson@environment-agency.gov.uk>]
Sent: 15 August 2017 12:24
To: Ian Warsap
Subject: RE: De-maining & BS PS discussion
Importance: High

Good Afternoon Both,

Thank you for sending a response back on the Black Sluice PS so quickly. To inform the internal discussion that can then feed into our paper, could you clarify on the precept reduction:

With an annual EA Precept reduction of £84,010 this will give the Board (699,138/84,010) 9 years (8.32) to plan a revenue stream for the future maintenance of the BSPS, therefore our 2018/2019 EA Precept contribution would be £192,542 (£276,552 - £84,010).

Are you meaning a one-off reduction of precept for just 2018/19? Just trying to understand the 9 year plan time and where the figure has come from.

Kind regards,
Abi

From: Daniel Withnall
Sent: 15 August 2017 14:39
To: 'Jackson, Abigail'
Subject: RE: De-maining & BS PS discussion

Hi Abi,

The precept reduction would need to be an annual arrangement to make this work which I would think would be reasonable based on the fact the EA are permanently giving up the asset?

The average maintenance for the three years maintenance included in your papers calculated to £168,020. (£504,060/3).

If the precept was reduced by half this then there would be £84,010 left for us to fund.

£699,138 is the total commuted sum amount which would fund 8.33 years of maintenance. Ian has rounded to 9 years.

I am about all day tomorrow.

Regards,
Daniel

Black Sluice Internal Drainage Board

Project Summary

2017/18

Period 04 - July 2017

| Description | Period Current Year | | | Year To Date | | | Last Year | | |
|--------------------------------|---------------------|------------------|-----------------|------------------|------------------|-----------------|-----------|------------------|--------------------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Forecast | Actual YTD | Variance to Current Year |
| Rates & Levies | 187,391 | 148,032 | 39,359 | 1,423,776 | 1,444,491 | (20,715) | 0 | 1,422,082 | 1,694 |
| Interest & Grants | 36 | 937 | (901) | 377 | 2,694 | (2,317) | 0 | 2,573 | (2,195) |
| Development Fund | 2,083 | 0 | 2,083 | 5,733 | 0 | 5,733 | 0 | 0 | 5,733 |
| Other Income | 2,202 | 310 | 1,892 | 6,468 | 8,080 | (1,612) | 0 | 8,027 | (1,559) |
| Rechargeable Profit | 18 | 0 | (18) | 429 | 0 | 429 | 0 | 4,783 | (4,354) |
| Solar Panel Income | 2,634 | 1,519 | 1,115 | 8,765 | 7,872 | 893 | 0 | 8,786 | (21) |
| Total Income | 194,364 | 150,798 | 43,530 | 1,445,550 | 1,463,137 | (17,587) | 0 | 1,446,251 | (701) |
| Schemes | 85,133 | 25,000 | (60,133) | 116,291 | 109,000 | (7,291) | 0 | 77,471 | (38,820) |
| Pumping Station Schemes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,923) | (1,923) |
| Pumping Station Maintenance | 30,284 | 25,583 | (1,291) | 88,689 | 102,182 | 24,168 | 0 | 71,481 | 47,253 |
| Electricity | (3,411) | | | (10,675) | | | | 53,786 | 0 |
| Drain Maintenance | 39,814 | 53,937 | 14,123 | 91,617 | 154,558 | 62,941 | 0 | 201,915 | 110,298 |
| Environmental Schemes | 86 | 176 | 90 | 6,054 | 6,028 | (26) | 0 | 1,982 | (4,071) |
| Administration & Establishment | 36,671 | 43,056 | 6,385 | 160,723 | 166,092 | 5,369 | 0 | 148,791 | (11,931) |
| EA Precept | 138,276 | 138,276 | 0 | 138,276 | 138,276 | 0 | 0 | 138,276 | 0 |
| Solar Panel Expenses | 0 | 0 | 0 | 315 | 0 | (315) | 0 | (1,874) | (2,189) |
| Total Expenditure | 326,854 | 286,028 | (40,826) | 591,289 | 676,136 | 84,847 | 0 | 689,906 | 98,617 |
| Surplus / (Deficit) | (132,490) | (135,230) | 2,740 | 854,261 | 787,001 | 67,260 | 0 | 756,345 | 97,916 |

| Movement on reserves | |
|----------------------------|---------------|
| Plant Reserve | 570 |
| Wages oncost Reserve | 1,190 |
| Surplus / (Deficit) | 96,155 |

Black Sluice Internal Drainage Board
South Forty Foot Scheme Summary
2017/18
Period 04 - July 2017

| Account | Account Description | 2016 11 | 2016 12 | 2017 1 | 2017 2 | 2017 3 | 2017 4 | Total To date |
|---------|-----------------------------------|---------------|----------------|---------------|---------------|----------------|-----------------|------------------|
| 1001 | Basic Pay | 0 | 0 | 0 | 561 | 0 | 0 | 561 |
| 3008 | H&S | 0 | 0 | 318 | 0 | 0 | 560 | 878 |
| 3010 | Hire Plant | 0 | 73,441 | (3,906) | 46,430 | 810 | 2,731 | 119,507 |
| 3011 | Misc | 0 | 0 | 0 | 0 | 28 | 885 | 913 |
| 3012 | Small Tools | 0 | 13,000 | (13,000) | 6 | 150 | 0 | 156 |
| 3013 | Insurance | 0 | 0 | 0 | 449 | 0 | (39) | 409 |
| 3015 | Hire LL | 0 | 304 | (304) | 577 | 0 | 0 | 577 |
| 3018 | Computer Costs | 0 | 3,295 | 0 | 0 | 0 | 0 | 3,295 |
| 4001 | Materials | 5,047 | 9,976 | 80 | 0 | 14,200 | 570 | 29,873 |
| 4002 | Concrete | 0 | 0 | 0 | 80 | 80 | 0 | 160 |
| 4004 | Timber | 0 | 330 | 140 | 45 | 934 | 166 | 1,615 |
| 4101 | Pipes | 0 | 0 | 0 | 164 | 232 | 0 | 396 |
| 4104 | Kidds | 0 | 273 | 0 | 0 | 0 | 65 | 338 |
| 4105 | Stock | 0 | 3,047 | 0 | 0 | (1,536) | 152 | 1,663 |
| 5004 | Plant Parts | 0 | 283 | 0 | 0 | 0 | 86 | 370 |
| 5005 | Plant Oils & Lubricants | 0 | 22 | 1 | 0 | 0 | 0 | 24 |
| 5006 | Plant Fuel | 443 | 6,587 | 4,129 | 1,325 | 385 | 901 | 13,769 |
| 6001 | Contractors | 0 | 79,320 | 15,650 | 1,764 | 142,680 | 71,416 | 310,830 |
| 7001 | Labour | 7,804 | 31,274 | 19,071 | 21,597 | 246,111 | (122,840) | 203,017 |
| 7060 | Workshop | 0 | 915 | 195 | 120 | 0 | 0 | 1,230 |
| 9013 | Forklift | 0 | 0 | 54 | 180 | 18 | 36 | 288 |
| 9047 | Small Plant | 220 | 0 | 0 | 901 | 0 | 0 | 1,121 |
| 9057 | Chief TI LL | 0 | 611 | 226 | 187 | 193 | 264 | 1,480 |
| 9058 | Chief TI Dump | 0 | 24 | 0 | 64 | 152 | 396 | 636 |
| 9080 | Unimog (AJ58VDN) | 150 | 4,365 | 2,910 | 1,785 | 1,485 | 2,415 | 13,110 |
| 9082 | JCB JS130 | 0 | 713 | 1,755 | 75 | 45 | 60 | 2,648 |
| 9088 | JCB JS160 | 0 | 383 | 0 | 0 | 0 | 0 | 383 |
| 9093 | Vauxhall Vivaro (LN12 YPY) | 0 | 86 | 99 | 19 | 0 | 77 | 280 |
| 9094 | JCB Teleporter (YN12 DXD) | 0 | 925 | 375 | 575 | 125 | 275 | 2,275 |
| 9095 | Vauxhall Movano Tipper (UN12 GUH) | 189 | 145 | 251 | 274 | 179 | 99 | 1,136 |
| 9096 | JCB 145HD | 0 | 2,610 | 1,988 | 2,265 | 600 | 0 | 7,463 |
| 9097 | JCB JS-130 (YS14 WBO) | 0 | 0 | 0 | 0 | 1,770 | 788 | 2,558 |
| 9100 | Nissan Navarra Visa - FX15 TUA | 0 | 0 | 0 | 0 | 0 | 38 | 38 |
| 9101 | Nissan Navarra Visa - FX15 TUH | 0 | 60 | 0 | 0 | 0 | 1,088 | 1,148 |
| 9102 | Nissan Navarra Acenta-FY15 RBU | 0 | 44 | 0 | 0 | 0 | 0 | 44 |
| 9103 | Twiga SPV2 (WA15 LFG) | 1,125 | 653 | 248 | 0 | 0 | 1,125 | 3,150 |
| 9104 | 2016 Twiga | 0 | 293 | 0 | 0 | 0 | 0 | 293 |
| 9105 | Hitachi | 0 | 794 | 92 | 104 | 1,426 | 1,852 | 4,267 |
| 9106 | Vibrating Pile Hammer | 0 | 480 | 160 | 0 | 480 | 0 | 1,120 |
| 9108 | Aebi TT211 | 0 | 0 | 0 | 0 | 455 | 420 | 875 |
| 9110 | Kubota F3090 Ride on Mower | 0 | 0 | 0 | 0 | 0 | 15 | 0 |
| | | 14,978 | 234,251 | 30,531 | 79,547 | 411,000 | (36,402) | 770,307 |

| | | | | | | | |
|------------------|----------|-----------|----------|-------|-----------|---|-----------|
| 8005 Recoverable | (73,500) | (147,420) | (58,840) | 4,000 | (411,000) | 0 | (686,760) |
|------------------|----------|-----------|----------|-------|-----------|---|-----------|

-£83,547.02

To be invoiced £55,280

Outstanding Costs

| | |
|----------------------------|-----------------|
| Royal Smals | -£90,000 |
| Witham Fourth IDB | -£475 |
| SRP Hire Solutions | -£650 |
| Scarborough Nixon | -£2,050 |
| Lagoon 2 Professional Fees | -£2,500 |
| Lagoon 3 Professional Fees | -£2,500 |
| Lagoon 1 Rent 1 Year | -£6,500 |
| Lagoon 2 Rent 5 Years | -£27,830 |
| Lagoon 3 Rent 5 Years | -£28,600 |
| Level Lagoon 2 & 3 | -£10,000 |
| Spread & Level vegetation | -£15,000 |
| BSIDB Resources | -£10,000 |
| Field testing Lagoon 2 & 3 | -£1,500 |
| Crop loss | -£500 |
| Land Agent Fees | -£5,000 |
| 5% Recovery | -£50,000 |
| PSCA income request | £281,000 |
| Surplus/Deficit | -£372 |

Neslam Bridge 12.65 acres (3x£500 & 2x£350/acre)
Rippingale 13.00 acres

Black Sluice Internal Drainage Board
Income & Expenditure Summary
2017/18
Period 04 - July 2017

| | 2016/17 | 2015/16 | Variance |
|--------------------------------|------------------|----------------|------------------|
| Drainage Rates | 914,829 | 922,556 | (7,726) |
| Special Levies | 508,947 | 499,527 | 9,420 |
| Recoverable | 482,075 | 22,572 | 459,503 |
| Misc Income | 13,417 | 11,375 | 2,042 |
| Solar Panel Income | 8,765 | 8,786 | (21) |
| | 1,928,034 | 1,464,815 | 463,218 |
| Employment Costs | 374,636 | 359,447 | (15,188) |
| Property | 2,695 | 68,812 | 66,117 |
| General Expenses | 100,719 | 44,665 | (56,054) |
| Materials / Stock | 21,624 | 25,451 | 3,827 |
| Motor & Plant | 62,636 | 55,308 | (7,328) |
| Miscellaneous | 380,746 | 167,605 | (213,141) |
| Recharges | (5,663) | (153,364) | (147,702) |
| Plant | 119,484 | 125,410 | 5,927 |
| Total Expenditure | 1,056,878 | 693,335 | (363,543) |
| Net Surplus / (Deficit) | 871,156 | 771,481 | 99,676 |

Black Sluice Internal Drainage Board
Balance Sheet at Period End
2017/18
Period 04 - July 2017

| | <u>2016/17</u> | | <u>2015/16</u> | |
|--|----------------|------------------|----------------|------------------|
| | £ | £ | £ | £ |
| Operational Land & Buildings Cost | 739,350 | | 739,350 | |
| Pumping Stations Cost | 3,861,354 | | 3,861,354 | |
| Non-operational Property Cost | 130,000 | | 130,000 | |
| Vehicles, Plant & Machinery Cost | 877,147 | | 804,415 | |
| Fixed Assets | | 5,607,851 | | 5,535,119 |
| Stock | 27,696 | | 30,742 | |
| Debtors Cont | 18,553 | | 11,197 | |
| VAT | 20,239 | | 25,165 | |
| Grants Debtor | (16,320) | | (1,161) | |
| Car Loans | 29,572 | | 18,552 | |
| Prepayments | 25,435 | | 26,860 | |
| Draw Acc | (140,386) | | (3,340) | |
| Call Acc | 312,510 | | 610,265 | |
| Petty Cash | 327 | | 852 | |
| Rechargeable Work in Progress | (59,459) | | 30,778 | |
| Natwest Government Procurement C | 0 | | 0 | |
| Reserve Account | 1,747,788 | | 936,229 | |
| Total Current Assets | | 1,967,214 | | 1,686,139 |
| Trade Creditors | (4,127) | | (25,022) | |
| PAYE & NI Control Account | (17,449) | | (17,188) | |
| Superannuation Contrl Account | (11,600) | | (14,976) | |
| Union Subs Control Account | (99) | | (99) | |
| AVC Control Account | 0 | | 0 | |
| Accruals | (185,810) | | (47,049) | |
| Suspense | (0) | | 0 | |
| Total Liabilities | | (219,086) | | (104,334) |
| Pension Liability | | (3,343,000) | | (2,973,000) |
| | | 4,012,979 | | 4,143,924 |
| Capital Outlay | 5,450,044 | | 5,216,031 | |
| Pension Reserve | (3,343,000) | | (2,973,000) | |
| Total Capital | | 2,107,044 | | 2,243,031 |
| General Reserve | 910,190 | | 880,038 | |
| Development Reserve | 177,188 | | 92,405 | |
| Plant Reserve | (87,474) | | 148,322 | |
| Wage On-Cost Reserve | 34,874 | | 8,647 | |
| Surplus/Deficit in Period | 871,156 | | 771,481 | |
| Total Reserves | | 1,905,935 | | 1,900,893 |
| | | 4,012,979 | 0 | 4,143,924 |
| <u>Cash & Bank Balances</u> | | | | |
| Drawings Account | | (140,386) | | |
| Call Account | | 12,510 | 312,510 | |
| Natwest Reserve Account @ 0.01% | | 1,747,788 | | |
| Petty Cash | | 327 | | |
| Chargcard | | 0 | | |
| Monmouthshire BS @ 0.15% | | 300,000 | 30 Day Notice | |
| | | 1,920,239 | | |

Salary Spine & Grades April 2017

| Spine Point | Rounded Salary | | 0.40% | | Grades | | | | | | | | | | | | | Monthly Salary | Hourly 38 Hours | Hourly 37 Hours |
|-------------|----------------|---------------|------------|---------------|--------|---|---|---|---|---|---|---|---|----|----|----|----|----------------|-----------------|-----------------|
| | 01/04/2016 | Salary +1.00% | 01/04/2017 | Discretionary | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | | | |
| 2* | £13,110.00 | £13,241.10 | £13,248.00 | £13,778.00 | | | | | | | | | | | | | | £1,104 | £6.69 | £6.87 |
| 3* | £13,962.00 | £14,101.62 | £14,112.00 | £14,677.00 | | | | | | | | | | | | | | £1,176 | £7.13 | £7.32 |
| 4 | £14,799.00 | £14,946.99 | £14,952.00 | £15,551.00 | | | | | | | | | | | | | | £1,246 | £7.55 | £7.76 |
| 5 | £15,423.00 | £15,577.23 | £15,588.00 | £16,212.00 | | | | | | | | | | | | | | £1,299 | £7.87 | £8.09 |
| 6 | £16,029.00 | £16,189.29 | £16,200.00 | £16,848.00 | | | | | | | | | | | | | | £1,350 | £8.18 | £8.40 |
| 7 | £16,686.00 | £16,852.86 | £16,860.00 | £17,535.00 | | | | | | | | | | | | | | £1,405 | £8.51 | £8.74 |
| 8 | £17,319.00 | £17,492.19 | £17,496.00 | £18,196.00 | | | | | | | | | | | | | | £1,458 | £8.84 | £9.07 |
| 9 | £17,967.00 | £18,146.67 | £18,156.00 | £18,883.00 | | | | | | | | | | | | | | £1,513 | £9.17 | £9.42 |
| 10 | £18,651.00 | £18,837.51 | £18,840.00 | £19,594.00 | | | | | | | | | | | | | | £1,570 | £9.51 | £9.77 |
| 11 | £19,281.00 | £19,473.81 | £19,476.00 | £20,256.00 | | | | | | | | | | | | | | £1,623 | £9.83 | £10.10 |
| 12 | £19,947.00 | £20,146.47 | £20,148.00 | £20,954.00 | | | | | | | | | | | | | | £1,679 | £10.17 | £10.45 |
| 13 | £20,628.00 | £20,834.28 | £20,844.00 | £21,678.00 | | | | | | | | | | | | | | £1,737 | £10.53 | £10.81 |
| 14 | £21,327.00 | £21,540.27 | £21,552.00 | £22,415.00 | | | | | | | | | | | | | | £1,796 | £10.88 | £11.18 |
| 15 | £22,032.00 | £22,252.32 | £22,260.00 | £23,151.00 | | | | | | | | | | | | | | £1,855 | £11.24 | £11.54 |
| 16 | £22,809.00 | £23,037.09 | £23,040.00 | £23,962.00 | | | | | | | | | | | | | | £1,920 | £11.63 | £11.95 |
| 17 | £23,619.00 | £23,855.19 | £23,856.00 | £24,811.00 | | | | | | | | | | | | | | £1,988 | £12.05 | £12.37 |
| 18 | £24,651.00 | £24,897.51 | £24,900.00 | £25,896.00 | | | | | | | | | | | | | | £2,075 | £12.57 | £12.91 |
| 19 | £25,476.00 | £25,730.76 | £25,740.00 | £26,770.00 | | | | | | | | | | | | | | £2,146 | £13.00 | £13.35 |
| 20 | £26,415.00 | £26,679.15 | £26,688.00 | £27,756.00 | | | | | | | | | | | | | | £2,224 | £13.47 | £13.84 |
| 21 | £27,318.00 | £27,591.18 | £27,600.00 | £28,704.00 | | | | | | | | | | | | | | £2,300 | £13.94 | £14.31 |
| 22 | £28,284.00 | £28,566.84 | £28,572.00 | £29,715.00 | | | | | | | | | | | | | | £2,381 | £14.43 | £14.82 |
| 23 | £29,232.00 | £29,524.32 | £29,532.00 | £30,714.00 | | | | | | | | | | | | | | £2,461 | £14.91 | £15.31 |
| 24 | £30,255.00 | £30,557.55 | £30,564.00 | £31,787.00 | | | | | | | | | | | | | | £2,547 | £15.43 | £15.85 |
| 25 | £31,296.00 | £31,608.96 | £31,620.00 | £32,885.00 | | | | | | | | | | | | | | £2,635 | £15.96 | £16.40 |
| 26 | £32,370.00 | £32,693.70 | £32,700.00 | £34,008.00 | | | | | | | | | | | | | | £2,725 | £16.51 | £16.96 |
| 27 | £33,618.00 | £33,954.18 | £33,960.00 | £35,319.00 | | | | | | | | | | | | | | £2,830 | £17.15 | £17.61 |
| 28 | £34,800.00 | £35,148.00 | £35,148.00 | £36,554.00 | | | | | | | | | | | | | | £2,929 | £17.74 | £18.22 |
| 29 | £36,042.00 | £36,402.42 | £36,408.00 | £37,865.00 | | | | | | | | | | | | | | £3,034 | £18.38 | £18.88 |
| 30 | £37,293.00 | £37,665.93 | £37,668.00 | £39,175.00 | | | | | | | | | | | | | | £3,139 | £19.02 | £19.53 |
| 31 | £38,604.00 | £38,990.04 | £39,000.00 | £40,560.00 | | | | | | | | | | | | | | £3,250 | £19.69 | £20.22 |
| 32 | £39,996.00 | £40,395.96 | £40,404.00 | £42,021.00 | | | | | | | | | | | | | | £3,367 | £20.40 | £20.95 |
| 33 | £41,403.00 | £41,817.03 | £41,820.00 | £43,493.00 | | | | | | | | | | | | | | £3,485 | £21.11 | £21.68 |
| 34 | £42,918.00 | £43,347.18 | £43,356.00 | £45,091.00 | | | | | | | | | | | | | | £3,613 | £21.89 | £22.48 |
| 35 | £44,454.00 | £44,898.54 | £44,904.00 | £46,701.00 | | | | | | | | | | | | | | £3,742 | £22.67 | £23.28 |
| 36 | £46,095.00 | £46,555.95 | £46,560.00 | £48,423.00 | | | | | | | | | | | | | | £3,880 | £23.50 | £24.14 |
| 37 | £47,739.00 | £48,216.39 | £48,228.00 | £50,158.00 | | | | | | | | | | | | | | £4,019 | £24.35 | £25.00 |
| 38 | £49,479.00 | £49,973.79 | £49,980.00 | £51,980.00 | | | | | | | | | | | | | | £4,165 | £25.23 | £25.91 |
| 39 | £51,267.00 | £51,779.67 | £51,780.00 | £53,852.00 | | | | | | | | | | | | | | £4,315 | £26.14 | £26.85 |
| 40 | £53,184.00 | £53,715.84 | £53,724.00 | £55,873.00 | | | | | | | | | | | | | | £4,477 | £27.12 | £27.85 |
| 41 | £55,137.00 | £55,688.37 | £55,692.00 | £57,920.00 | | | | | | | | | | | | | | £4,641 | £28.11 | £28.87 |
| 42 | £57,177.00 | £57,748.77 | £57,756.00 | £60,067.00 | | | | | | | | | | | | | | £4,813 | £29.16 | £29.94 |
| 43 | £59,271.00 | £59,863.71 | £59,868.00 | £62,263.00 | | | | | | | | | | | | | | £4,989 | £30.22 | £31.04 |
| 44 | £61,470.00 | £62,084.70 | £62,088.00 | £64,572.00 | | | | | | | | | | | | | | £5,174 | £31.34 | £32.19 |
| 45 | £63,783.00 | £64,420.83 | £64,428.00 | £67,006.00 | | | | | | | | | | | | | | £5,369 | £32.52 | £33.40 |
| 46 | £66,198.00 | £66,859.98 | £66,864.00 | £69,539.00 | | | | | | | | | | | | | | £5,572 | £33.75 | £34.66 |
| 47 | £68,661.00 | £69,347.61 | £69,348.00 | £72,122.00 | | | | | | | | | | | | | | £5,779 | £35.01 | £35.95 |
| 48 | | £71,774.78 | £71,784.00 | £74,656.00 | | | | | | | | | | | | | | £5,982 | £36.24 | £37.21 |
| 49 | | £74,286.89 | £74,292.00 | £77,264.00 | | | | | | | | | | | | | | £6,191 | £37.50 | £38.51 |
| 50 | | £76,886.93 | £76,896.00 | £79,972.00 | | | | | | | | | | | | | | £6,408 | £38.82 | £39.86 |
| 51 | | £79,577.98 | £79,584.00 | £82,768.00 | | | | | | | | | | | | | | £6,632 | £40.17 | £41.26 |
| 52 | | £82,363.21 | £82,368.00 | £85,663.00 | | | | | | | | | | | | | | £6,864 | £41.58 | £42.70 |
| 53 | | £85,245.92 | £85,248.00 | £88,658.00 | | | | | | | | | | | | | | £7,104 | £43.03 | £44.19 |
| 54 | | £88,229.53 | £88,236.00 | £91,766.00 | | | | | | | | | | | | | | £7,353 | £44.54 | £45.74 |
| 55 | | £91,317.56 | £91,320.00 | £94,973.00 | | | | | | | | | | | | | | £7,610 | £46.10 | £47.34 |
| 56 | | £94,513.67 | £94,524.00 | £98,305.00 | | | | | | | | | | | | | | £7,877 | £47.71 | £49.00 |
| 57 | | £97,821.65 | £97,824.00 | £101,737.00 | | | | | | | | | | | | | | £8,152 | £49.38 | £50.71 |

* Below National Living Wage as at 1st April 2017