

BLACK SLUICE

INTERNAL DRAINAGE BOARD



Executive Committee Meeting

Wednesday, 29th May 2019 at 2pm

Station Road, Swineshead, Lincolnshire PE20 3PW



Black Sluice Internal Drainage Board

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Our Ref: IW/DPW/B10_1

Your Ref:

Date: 22nd May 2019

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 Wednesday, 29th May 2019 at 2pm 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 19th December 2018 (**pages 1 - 9**)
4. **CONFIDENTIAL** - To receive and, if correct, sign the Confidential Minutes of the Executive Meeting held on the 19th December 2018 (**pages 10 - 13**)
5. Matters arising.
6. To review the Executive Committee's Terms of Reference (**pages 14 & 15**)
7. **CONFIDENTIAL** - To receive a report on the Finance Supervisor (**pages 16 & 17**)
8. To receive a report on the 2018/19 accounts (**pages 18 - 20**)
 - (a) Period 12 Management Accounts (**pages 21 - 25**)
 - (b) Draft 2018/19 Unaudited Financial Statements (**under separate cover**)
 - (c) Annual Governance & Accountability Return for the year ended 31st March 2019 (AGAR) (**pages 26 - 31**)
9. To receive the 2018/19 Annual Internal Audit Report (**pages 32 - 41**)
10. To review and approve accounts of Bourne Fen Farm Account (**pages 42 & 43**)
11. To receive a report on Finance & Rating (**pages 44 - 47**)
12. To consider Period 01 Management Accounts (**pages 48 - 53**)
13. To consider the eight-year plant replacement budget (**page 54**)
14. To receive a report on the preparation of pumping station contingency planning (**pages 55 - 57**)
15. To receive a report on Water Resource East (WRE) Board Membership (**pages 58 & 59**)
16. 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
19th December 2018 at 10am

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)

1370 **APOLOGIES FOR ABSENCE - Agenda Item 1**

Apologies were received from Cllr M Brookes.

1371 **DECLARATIONS OF INTEREST - Agenda Item 2**

There were no declarations of interest.

1372 **MINUTES OF THE LAST MEETING - Agenda Item 3**

Minutes of the last meeting held on 12th September 2018, copies of which had been circulated, were considered and it was AGREED that they should be signed as a true record.

1373 **CONFIDENTIAL MINUTES OF THE LAST MEETING - Agenda Item 4**

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.

1374 **MATTERS ARISING - Agenda Item 5**

(a) **THE BOSTON BOROUGH COUNCIL LETTER AND RESPONSE - Minute 1324**

It was generally felt that the letter of response sent to Boston Borough Council was well received.

(b) **8 YEAR PLANT BUDGET - Minute 1327(b)**

It was confirmed that the budget was approved at the last Board Meeting on the 7th November 2018 and the deal for the new machine has now been secured.

(c) SOUTHERN WORKS COMMITTEE MEMBER - Minute 1329(f)

Mr M Rollinson clarified that Nick is the Farm Manager of Elveden Estates in Donington, which is owned by the Duchy of Lancaster.

(d) CONFIDENTIAL SALARY REVIEWS - Minute 1327(c)

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.

1375 TO CONSIDER THE 2019/20 BUDGET AND TEN YEAR ESTIMATES - Agenda Item 6

The Finance Manager presented the 2019/20 Budgets and ten year estimates as follows:

There were additional funds added to the reserves last year which has enabled more flexibility in this year's budget and also allowed the option of freezing the rate for a third year. The aim of the budget is a General Reserve at 20% of expenditure in year 10 with a balanced budget.

Income - Rates & Levies

With the income consistently less than expenditure, to reduce the income there is a risk of the annual deficit being insurmountable in year 11 if this is not considered. Therefore, it has been split as follows:

- Hold the rate for a further year
- 1.8% years 2 – 5
- 2.8% years 6 – 10

This will give the board the aimed result and will not result with an issue in year 11.

The Chairman questioned if Cllr P Bedford foresaw any problems with having to increase the rate after holding it? Cllr P Bedford made reference to other Board's in the area that haven't frozen their rate at all and so there shouldn't be any problems with it.

Mr P Holmes questioned how it is known what the rechargeable income is going to be? The Finance Manager explained that he has included £250,000 per year plus the expected South Forty Foot Drain cleansing work for 2019/20, 2020/21 and 2021/22 and then an increase of 2% each year in the following years.

Mr P Holmes further questioned how the Environment Agency precept figure is reached? The Finance Manager stated that it has been kept at worst case scenario, however, the Chief Executive noted that he will be pushing the Environment Agency to reduce the precept due to the decommissioning of the Black Sluice Pumping Station (Boston) and the de-maining.

The penny rate calculations are not yet completed and are done as at 31 December 2018, they will therefore be presented at the Board Meeting on 8th February 2019. An increase is expected due to the movement from agricultural to special levy.

Income - Interest

Interest has been included at £18,500 (£1000 + £17,500 for Brewin Dolphin).

Income - Grants / Local Levy

The local levy agreed last year will hopefully be realised this year in 2019/20. It is £409,000 of the RFCC Local Levy and £124,000 of the Flood Defence Grant in Aid towards the two schemes.

Income - Contribution Development Fund

The realignment of the Wyberton Towns Drain is due to be completed in 2019/20, this will be funded directly from the developer. It has also been approved within the Schemes that the board may also complete some work on the fringes of that to improve the board's system.

Income - Other

The rental income and discharge agreements have been included at the same rate as previous years and the committee were invited to review this. All happy.

There have been thirty consents allowed for per year (£50 per consent). In addition to this, Triton Knoll have paid the board £7,500 for consenting works over a five-year period and so it has been equally split at £1,500 per year.

Highland water has been included as the same as last year (based on actual spend for the financial year).

Solar Panel income is above expectation by £2,800 due to the hot summer despite one of the inverters not working for a prolonged period of time. It has been left as government predictions in this year's budget.

Expenditure - Capital Schemes

The capital schemes have already been presented to and approved by the board.

Expenditure - Pumping Station Maintenance

Pumping Station Maintenance has been left at £370,000 for the fifth consecutive year. Although there was an overspend at the beginning of this year, it is now being pulled back.

Mr J Fowler noted that he felt the board need to be prepared for a possible large increase in electricity costs, it is currently rapidly rising.

Expenditure - Drain Maintenance

Additional income has allowed an increase in spending on drain maintenance and following an overspend of the 5.6% increase in 2018/19 a detailed exercise has been completed to calculate the requirements to maintain this level. This has resulted in a 6.67% increase for 2019/20.

Expenditure - Environmental Works

The environmental budget has remained the same as last year at £20,000.

Expenditure - Administration and Establishment

There is an overall increase of 6.64% which is mostly in relation to the salaries. A 2.7% Pay Award has been agreed with the Lincs ADA Pay & Conditions Committee which will be ratified at the Lincolnshire ADA Branch Meeting in February 2019 so that has been included in the budget. Sue Knox's salary has also been included as it is not yet known how this role will be filled.

There may also be a need for additional income to purchase a new server as the current server will be five years old in July 2019 and is beginning to slow down. Quotations are currently being obtained from the IT company.

Development Reserve

The Chief Executive made reference to the Development Control Charges & Fees Policy, in particular, the impermeable hectare rate. He explained that he has not been able to arrange a meeting with South Holland IDB until 10 January 2019 to be able to see the calculations used to reach their rate. It was generally agreed that the board use this calculation and implement our own figures, so once this information has been obtained it will be brought to the next relevant meeting.

Wages On-Cost Reserve

This covers all employment costs for the workforce which are then apportioned to the expense codes in the budgets. The aim is to be zero at the end of each year, however, with £600,000 of costs this is almost impossible and so the aim is as close as possible which can be maintained at a recharge rate of 220%.

8 Year Plant Replacement Estimates

This has been approved by the Board at the previous Board meeting held on 7 November 2018.

General Reserve

Overall, the 2019/20 budget is expected to produce a deficit of £119,533. With an average 2% inflationary increase in expenditure it is estimated that in year 10 the general reserve will decrease to £587,000 which is 19.85% of expenditure for that year with a balanced budget.

Questions were invited.

1376 TO CONSIDER THE PERIOD 08 MANAGEMENT ACCOUNTS - Agenda Item 7

The Finance Manager presented the Period 08 Management Accounts, noting the following:

Rates & Levies

£34,000 of this is the Special Levies that have been paid early.

Other Income

This includes the Triton Knoll consents, as previously mentioned, to be split over a five-year period.

Solar Panel Income

This is up by £2,800 due to the good weather during the summer.

Schemes

There is an underspend on Schemes for culvert replacements due to additional work being required in drain maintenance.

Pumping Station Maintenance

This has increased by £2,000 in Period 08.

Drain Maintenance

The Chief Executive explained that there is an overspend of C£84,000 for Drain Maintenance due to the extended winter, snow and heavy rainfall leading to increased pump activity. This has therefore meant more involvement and work for the workforce to complete such as removing additional weed and having to clear additional dump areas at Gosberton and such like. Large emergency slip repairs were also undertaken in Bourne, Silk Willoughby, Dyke Fen, Dunsby Fen and Aswarby. Furthermore, additional emergency culvert cleansing and blockage removal was carried out due to high water levels at Bourne Fen. Although there is an overspend of C£84,000 in Drain Maintenance there is an underspend on Schemes of £69,000 therefore giving a net of £15,000.

Mr J Fowler questioned if the £69,000 underspend in Schemes is planned to be spent? The Chief Executive responded that it is planned to be spent in the rest of the financial year.

The Chief Executive further noted that in January 2019 the desilting and bushing works will commence along the Hammond Beck (old and new) commencing at the Chain Bridge End. This is a labour intensive project. It was further noted that the Hammond Beck was last completed eight years ago.

Environment Agency Precept

This is currently showing as half the money favourable due to it being paid after the Period end. With that adjustment, the overall expenditure is £49,407 adverse whilst the income is £110,151 favourable. This results in an additional £61,000 to be charged to the General Reserve if it is the same at the end of the year.

Income & Expenditure Summary

99.63% of drainage rates have been collected, with 13 cases awarded liability orders at court to the value of £5,705.10. Only 9 of these were sent to the bailiffs – 3 were paid before they were sent and one was agreed to hold onto until mid-January 2019 when the ratepayer's redundancy money is expected.

1377 TO REVIEW THE CONTRIBUTION TOWARDS THE DAMAGE TO A CONCRETE FARM YARD AT CLAYDYKE, HOLLAND FEN - Agenda Item 8

The Chief Executive explained that this issue has been discussed at various Committee and Board Meetings prior to this.

Mr R Gadd has spoken to the new NFU Representative and it seems that the issue is that he is not happy because he was not given the opportunity to meet the Northern Works Committee at the Inspection in the Spring. He has again, through the NFU Representative, requested to meet on site. The board has answered his questions and he has accepted the situation with regards to the byelaws. However, he keeps coming back to wanting to meet on site.

The Chief Executive proposed that Mr R Leggott and Mr P Robinson (the two Board Members Mr R Gadd has spoken to regarding this) along with himself and the Operations Manager meet Mr R Gadd on site.

Mr P Holmes stated that Mr R Gadd was offered multiple dates to meet which have not been taken up. He further noted that a decision will not be able to be made on site – it will have to go back to Committee.

The Chief Executive responded that the meeting is a matter of respecting Mr R Gadd's wishes to meet on site, the decision to withdraw the offer has already been made. He further noted that if Mr R Gadd wants to re-lay the concrete he will have to apply for byelaw consent to do so which includes the consenting conditions that the board are not responsible for the new works.

The Chairman agreed that the contribution offer has been withdrawn but that the two Board Members and Officers should still meet Mr R Gadd on site. If the Officers then feel the contribution offer should be given then it will have to go to the Board meeting in February 2019.

Mr M Rollinson felt that Mr P Holmes should also attend the site meeting as Chairman of the Northern Works Committee.

Mr J Fowler suggested that if Mr R Gadd wishes to accept a renewed offer that he should request it in writing before the Board meeting on the 8th February 2019.

1378 TO REVIEW THE COST ALLOCATION FOR THE DAMAGE CAUSED TO AN UNCONSENTED OBSTRUCTION AT ASGARBY BECK - Agenda Item 9

The Chief Executive explained that one of the board's machines has recently damaged an irrigation pipe which was laid on the top of the bank. This irrigation pipe was not consented and the landowner was notified. As a result of this, the board have invoiced the landowner for the damage caused to the watercourse. They have subsequently sent an invoice to the board for repairs and replacement of the irrigation pipe.

Mr M Rollinson stated that he hasn't discussed this with the landowner but has looked into this issue as a 'whole' further. He noted that the landowner could argue that it predates consent and questioned what the policy was for retrospective consents when consenting was brought in? The Finance Manager clarified that retrospective consent can't be issued as per the Land Drainage Act.

Mr M Rollinson further referred to Policy 08 (Relaxation of Board Byelaw No.10) explaining that everything is mentioned apart from irrigation hydrants and Anglian Water mains which he felt required adding. The Chief Executive questioned whether everything should be itemised / listed as any structure within the 9m should be consented.

Mr M Rollinson felt that all ratepayers should be contacted and given a twelve-month amnesty for all that predated consent. The Chairman agreed and added that he felt it isn't really the board's 'fault' or the landowners – it is just not being marked and the drivers don't know it is there.

The Chief Executive has also spoken to the NFU representative who has said he would be happy to publicise the problem of non-consenting equipment such as irrigation pipes and the damage it can cause for both the board and the landowner. He has also suggested that an article be included in 'British Farmers and Growers'.

Mr M Rollinson referred back to Policy 08 stating 'If works are carried out without consent then a fine may be imposed and the works removed'. Mr M Rollinson felt that a set period of amnesty be given and if there are still remaining unconsented works after that then the board have the right to act on this.

Mr J Fowler suggested that it is first of all said 'the board will not be responsible for any damage caused to the equipment' and that the board then have the right to remove it as he didn't want to risk alienating ratepayers.

The Chief Executive clarified that the Board wouldn't be retrospectively consenting already completed works but instead would be consenting the marker post to identify it is there. Discussion then took place round whether the £50 consent fee should also be waived during the period of amnesty. It was felt it would be more successful if there was no consent fee as the landowner will already have a cost associated with putting in the marker post.

Cllr P Bedford questioned who would decide on the specification of post? It was clarified that the Chief Executive, Operations Manager and the Chairmen of the Works Committees would discuss this.

The Chief Executive clarified that the amnesty will include no consent fee and conditions of the type of marker to be erected. It can then be logged on the board's GPS system and should then avoid being hit in future.

Mr M Rollinson noted that the GPS is the most important aspect of this, as marker posts could be knocked down. However, the board need to be aware of where they all are first.

Mr P Holmes suggested that Mr P Green could be employed for a few hours of the day to visit the landowners to gather this information. The Chairman felt this was a good idea. Mr M Rollinson noted that there are also particular ratepayers that need to be prioritised i.e. those that are regularly irrigating.

The Chief Executive also noted that the Rating Brochure will be sent out in a few months' time and so it could be included in there.

The Finance Manager questioned if this should be tied in with the new Byelaws? They will hopefully soon be signed off, however, it may not be before April 2019, we have already been waiting 18 months. Mr P Holmes suggested that it is included in the brochure that there are new byelaws coming out but they are not yet ready to be published. It was clarified that things can be added into the Policy as long as it doesn't contradict the Byelaws. It was further clarified that it will have to go to the Audit & Risk Committee before the Board.

Discussion reverted back to this particular issue, with the Chairman suggesting that if the board withdraw their invoice then the landowner may withdraw theirs. The Chairman proposed that the invoice is withdrawn. Mr M Rollinson suggested that it is worded to the landowner that an amnesty is being introduced for any unconsented structures within the 9m byelaw distance and as an act of good faith and taking part in this amnesty, the board will withdraw their invoice subject to the landowner withdrawing theirs. It was further added that this issue has brought to attention other unconsented structures which are now being addressed.

All AGREED that something similar to the above should be explained to the landowner, however, the invoice won't be withdrawn until there has been a meaningful response that theirs will also be withdrawn.

Mr J Fowler introduced a new case where equipment has also been damaged. He explained that he has spoken to Bannisters Farm who have had a second incident with their irrigation equipment being damaged under the A16.

Nobody at the farm was informed of the damage and so it was only found when abstraction failed. Mr J Fowler expressed his concern of the attitude around reporting back about incidents from the Operators.

The Chief Executive questioned if consent had been gained for these irrigation pipes? Mr J Fowler was unaware, but added that they were heavily marked. The Chief Executive stated that whether it be consented or non-consented, it is about trying to move away from a 'blame culture' and instead gaining a general awareness. The Chief Executive noted that the Workforce are in a training session tomorrow therefore this can be addressed.

The Chairman recognised that this is a problem that can put landowners 'backs up' and so it needs resolving. The Chief Executive also acknowledged that the boards most important relationship is with the ratepayers / landowners.

Mr J Fowler further noted other comments that always come back to IDBs including that landowners don't know when the board are going to work on their land and the lack of communication, particularly referencing summer cutting. He suggested that a text be sent to notify landowners that there is a Black Sluice IDB machine working in the area.

The Chief Executive suggested that it could be included in the Rating Brochure; for future summer cutting notification via text please return the relevant mobile number and geographical area.

It was concluded that it is not only the Black Sluice IDB Operators that need looking at, but also it is vital to get the landowners 'on-side'.

1379 ANY OTHER BUSINESS - Agenda Item 10

(a) UPGRADE ON DRAINAGE RATING SYSTEM

The Finance Manager explained that there is an upgrade available for the Drainage Rating System that enables a map to be brought up on screen at the press of a button. This was looked at in 2016 but was dismissed due to Sue Knox and Joe Mitchell having experience with the system and not being required. The situation has now changed, with novice users of the system. The upgrade is a cost of £5,000, which does not include any background data cleansing which may be required. This cleansing can be done at an additional £500 per day. The cost is for their time to upgrade the system. The Chief Executive noted that although it is a substantial initial outlay, it will help save in the long term, other Drainage Boards are already using it.

The committee felt it would be beneficial to gain this upgrade to the software, it was felt that if the team are prepared to take on the work and it will assist them in this then it will be helpful and will also bring the board in line with other boards. All AGREED.

(b) DAMAGE TO ROAD CAUSED BY BLACK SLUICE IDB MACHINES

Mr M Rollinson noted that a mess has been left by a Black Sluice IDB machine in Donington Caythorpe. He appreciates that the machine had to pull out on the road to turn around, but it has damaged the road considerably. The Operators will be spoken to regarding this in the training session tomorrow.

Mr P Holmes suggested it would maybe be useful to have a board member present at the training.

(c) SOUTH FORTY FOOT DRAIN DESILTING

Mr J Fowler questioned if there was any progress with the South Forty Foot Drain de-silting? It was stated that the Silt Cutter is in the water and the lagoon is going to commence being constructed on 2nd January 2019. The cutter will then start pumping on the 16th January 2019. On the 7th February 2019, the Royal Smals team will be holding a localised presentation day, with the location yet to be determined. There will also be the opportunity to view the lagoon on this day.

1380 CONFIDENTIAL – TO REVIEW SENIOR STAFF SALARIES - 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.

There being no further business the meeting closed at 15:55.

BLACK SLUICE INTERNAL DRAINAGE BOARD

EXECUTIVE MEETING - 29 MAY 2019

AGENDA ITEM No 06

EXECUTIVE COMMITTEE - TERMS OF REFERENCE

1. GENERAL

The Committee shall have six members who will be appointed by the Board.

The Membership shall be as follows:

Chairman of the Board,
Vice-Chairman of the Board,
Chairman of the Audit & Risk Committee
Chairman of the Northern Works Committee
Chairman of the Southern Works Committee
Representative from the **Boston Borough** Council

If one member holds two of the above positions, an additional member shall be voted onto the Committee if the Board wishes to ensure that there are at least two members from each Works Committee on the Executive Committee.

The Chairman shall be **the Chairman of the Board**.

The quorum for any meeting will be 3 members to include either the Chairman of the Board or the Vice Chairman.

2. MEETINGS OF THE COMMITTEE

The Committee shall meet at least once each year and a quorum shall be three members. No one other than the Committee members shall be entitled to attend Committee Meetings, but any other persons shall attend meetings if invited by the Committee.

The external auditors may request a meeting if they consider that one is necessary.

3. POWERS OF THE COMMITTEE

The Committee is authorised:

- (a) Approve salary levels for members of staff.
- (b) Recruitment of Senior Officers.
- (c) Set levels of rents for Board's property and land.
- (d) Approve awards of large contracts following tender or quotation submission.

- (e) Approve orders for plant expenditure in excess of £10,000 within annual budget estimate.
- (f) Approve any changes to the investment portfolio of the Bourne Fen Farm Account.
- (g) Any formal consent which requires determination before the next Board Meeting which officers cannot approve.
- (h) Approve any item of expenditure up to a value of £25,000.

4. RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the Committee shall be:

- (a) Developing and implementing strategy, operational plans, policies and budgets
- (b) Ensuring delivery of key commitments, objectives and milestones;
- (c) Assessing and controlling risk
- (d) Prioritising and allocating resources
- (e) Provide a focus on staffing issues, including organisational culture and the development of the Board's staff
- (f) Drive forward the Board's commitment to continuous development and improvement
- (g) Act as Trustee's of the Bourne North Fen Farm Trust invested with the Board

5. Reporting

Minutes of meetings of the Committee shall be presented to the next meeting of the Board.

The Committee shall review its terms of reference **after every tri-annual AGM** and its own effectiveness and recommend any necessary changes to the Board.

BLACK SLUICE INTERNAL DRAINAGE BOARD

EXECUTIVE COMMITTEE - 29 MAY 2019

AGENDA ITEM No 08

2018/19 ACCOUNTS

Introduction

The 2018/19 Accounts are attached to this report in the different formats that the Board uses as follows.

- (a) Period 12 Management Accounts
- (b) 2018/19 Unaudited Financial Statements
- (c) Annual Governance and Accountability Return

All the figures in each report are from the same source data, just shown in different formats as required or for the value of the information.

Income

1. **Rates & Levies** were £17,440 favourable compared to budget at the end of the year due to the penny rate calculations for the Special Levies being calculated after the budget had been set and in year adjustments. 99.98% of Drainage Rates have been collected with only £217.91 outstanding at 31 March 2019.
2. **Interest and Grants** is the surprise of the year in terms of interest and investment income in that due to the decisions made by the Board and unexpected or informed increase in interest rates the Board was over £10,000 favourable compared to the budgets included in the year.

Brewin Dolphin Investment

Revenue Account for Year Ended 31st March 2019		
		2019
Income		£
Investment Income		13,674
Expenditure		
Fund Management Fees	3,334	
Dealing Charges	821	
		4,155
Board Income		9,520
<hr/>		
Fund Valuation		
		2019
		£
Investments		490,809
Debtors	2,188	
		2,188
Valuation		492,997

All the grant income was not realised in the year which was included in the budget from Flood Defence Grant in Aid (FDGiA) and Local Levy via the Regional Flood and Coastal Committee (RFCC).

3. **Other Income** includes £59,309 from the Rationalising the Main River Network (RMRN) pilot and an additional £3,500 was received for consent applications which equates to an additional 70 consent applications than expected.
4. **Solar Panel Income** continues to out perform the government estimates at the time they were installed and this year is £1,698 favourable compared to budget.
5. **Rechargeable Income** for the year was £505,373 with £134,002 deferred to 2019/20 in relation to Public Sector Cooperation Agreement (PSCA) South Forty Foot Drain (SFFD) desilting works and £112,000 PSCA SFFD Bushing works. 72.77% of rechargeable works in 2018/19 were through PSCA's.

Expenditure

6. **Board Funded Schemes** in 2018/19 included some that were delayed from 2017/18 into this year and those scheduled for this year were delayed due to the wet weather at the beginning of the financial year.

Of the original budget for schemes being funded by the Board £56,000 remained unspent on "General Culvert Replacement" and Donington North Ings Weedscreen replacement was overspent by £17,311.

The Screddington Beck scheme from 2017/18 shows as an overspend in this year of £11,336 as £10,470 budget was included from last year and the scheme was still ongoing at the end of the year so additional costs and overspend will feature in the 2019/20 accounts.

7. **Grant Funded Schemes** included the final completion Kirton Meeres Long Culvert scheme from 2017/18 which was overspent but the contingency has been claimed and received but due to new rules, as this grant income was received after the financial year end, it will be shown in 2019/20's accounts.

The Graft Drain Scheme commenced in the final week of the year and will run into 2019/20.

The Malting Lane, Donington scheme was also underway over the year end but nearing completion by the contractors.

Further consultancy fees have been paid in year in relation to the North Forty Foot Bank Protection and Sempringham Pumping Station Refurbishment schemes. Final approval for these schemes is anticipated in early 2019/20 and the ADA Grants Manager has been tasked with liaising with the consultants to expedite these schemes.

8. **Pumping Station Maintenance** at the year end is favourable to budget by £21,453 having been overspent all year due to the wet weather at the beginning of the year and the inflated electric bills. £46,426 more was spent on electricity in 2018/19 than the previous financial year and costs have also inflated during the year.

9. **Drain Maintenance** was overspent by £21,101 in the year which in perspective is only 2.81%. This overspend can be attributed to the additional works in relation to the wet period at the beginning of the year offset by work not undertaken to complete schemes. All the summer cutting works were completed and 24.75km of the planned 66.66km (37%) of the winter cleansing work was completed at the year end.
10. **Administration and Establishment.** The budget was overspent by £52,455.

Administration Salaries were over spent by £19,422. As previously reported £8,877.35 relates to "Acting up" pay to finance and admin staff and holiday pay death grant. £3,928.70 relates to the changeover and overlap of the GIS Technician position. Overlap to help ensure training of Ben was not a complete loss. £910.20 for employment of a legal adviser that was not in the budget for 2018/19. £8,489.00 relates to discretionary payments and the associated on-costs

Equipment and Building Maintenance was allocated additional budget in year of £15,000 for the adaptation to the office and £5,000 to upgrade our DRS to include mapping assisting the Finance and Admin department adjust to the reallocation of duties bringing the total amended budget to £35,000 for the year. The total spend was £36,303.

Costs associated with the Office alterations are as follows;

S.T Portas	£ 12,474.55
Premier Air Conditioning	£ 6,720.00
Alarmline	£ 981.00
Labour & Plant (4010 budget)	£ 2,952.40
Miscellaneous Items	£ 248.44
Total	<u>£ 23,376.39</u>

Depot Expenditure was overspent by £5,826.

The driveway of Board's bungalow was replaced in 2018/19 where the £5000 budget had been included in the two previous years but not this one. Some emergency boiler repairs were required over the Christmas period totalling £415 but did incorporate the annual service.

11. **Rechargeable Expenses** A recovery of 6.05% was achieved on recoverable works.

Overall

12. The overall budget for 2018/19 was to reduce the General Reserve by £53,601 but the final result is a surplus of £75,215 so the General Reserve is £128,816 greater than was expected.
13. Whilst the Plant Reserve has recovered, to a positive figure due to the greater use of machinery in the year, the Wage Oncost reserve is a negative of almost equal measure due to workforce levels and a reduction in rechargeable hours.
14. The Development Reserve has increased to £155,103 from £126,773.

Black Sluice Internal Drainage Board

Project Summary

2018/19

Period 12 - March 2019

Description	Period Current Year			Year To Date					Last Year	
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Variance	Actual YTD	Variance to Current Year
Rates & Levies	1,122	8,354	(7,232)	2,091,886	2,074,446	17,440	2,091,472	414	2,073,657	18,229
Interest & Grants	92,476	234,083	(141,607)	121,810	234,996	(113,186)	9,008	112,802	38,803	83,007
Development Fund	5,000	5,000	0	5,000	5,000	0	5,000	0	88,830	(83,830)
Other Income	4,871	6,403	(1,532)	85,838	19,266	66,572	89,826	(3,988)	16,888	68,950
Rechargeable Profit	10,986	0	(10,986)	30,576	0	30,576	0	30,576	58,182	(27,606)
Solar Panel Income	(1,836)	1,373	(3,209)	17,562	15,864	1,698	18,403	(841)	15,996	1,566
Total Income	112,620	255,213	(164,566)	2,352,671	2,349,572	3,099	2,213,709	138,962	2,292,356	60,315
Schemes	120,183	63,750	(56,433)	170,596	193,200	22,604	129,126	(41,470)	145,366	(25,231)
Pumping Station Schemes	14,054	180,500	166,446	129,746	280,500	150,754	115,706	(14,040)	91,647	(38,099)
Pumping Station Maintenance	18,915	65,003	33,478	229,352	369,994	21,453	393,290	44,749	268,800	(6,978)
Electricity	12,610			119,189					72,764	0
Drain Maintenance	92,436	78,304	(14,132)	771,101	750,000	(21,101)	768,392	(2,709)	673,851	(97,250)
Environmental Schemes	7,142	(2,092)	(9,234)	17,071	20,002	2,931	20,793	3,722	16,492	(579)
Administration & Establishment	77,109	40,838	(36,271)	563,069	510,614	(52,455)	540,502	(22,567)	487,569	(75,500)
EA Precept	0	0	0	276,552	276,552	0	276,552	0	276,552	0
Solar Panel Expenses	(315)	0	315	780	2,311	1,531	3,072	2,292	2,696	1,915
Total Expenditure	342,134	426,303	84,169	2,277,456	2,403,173	125,717	2,247,433	(30,023)	2,035,735	(241,721)
Surplus / (Deficit)	(229,514)	(171,090)	(58,424)	75,215	(53,601)	128,816	(33,724)	108,939	256,621	(181,406)
Movement on reserves										
Plant Reserve	225,296	(225,139)	(450,435)	0	(1)	(1)	0	0	0	0
Wages oncost Reserve	(74,722)	0	74,722	0	0	0	0	0	0	0
Grants Manager	(10,344)	0	10,344	0	0	0	0	0	0	0
Surplus / (Deficit)	(369,744)	54,049	306,946	75,215	(53,600)	128,817	(33,724)	108,939	256,621	(181,406)

Black Sluice Internal Drainage Board Drainage Rates & Special Levies

2018/19

Period 12 - March 2019

Drainage Rates & Special Levies Due

Drainage Rates

Annual Drainage Rates - Land and/or buildings	1,055,802.64	
Land/Property - Value Decreased	(22,682.19)	
Land/Property - Value Increased	21,874.72	
New Assessment	807.47	
Write Offs & Irrecoverables	(111.84)	
Summons Collection Costs	525.00	
Credit Due	(1,398.69)	
Costs Due	0.06	
Balance	1,054,817.17	50.42%

Special Levies

Boston Borough Council	784,760.51	
South Holland District Council	126,089.96	
North Kesteven District Council	68,105.02	
South Kesteven District Council	58,113.22	
	1,037,068.71	49.58%

Total Due	2,091,885.88	100.00%
------------------	---------------------	----------------

Drainage Rates & Special Levies Collected

B/F Arrears/(Allowances)	0.38	
Payments Posted	1,045,350.24	99.98%
Bourne North Fen Trust Contribution	9,248.64	
Special Levies Received	1,037,068.71	100.00%
Total Received	2,091,667.97	

Drainage Rates & Special Levies Debtors

Special Levy Outstanding	0.00	0.00%
Drainage Rates Outstanding	217.91	0.02%
	217.91	
	2,091,885.88	

Black Sluice Internal Drainage Board

Income & Expenditure Summary

2018/19

Period 12 - March 2019

	This Year	Last Year	Variance
Drainage Rates	1,054,817	1,055,763	(946)
Special Levies	1,037,069	1,017,894	19,175
Recoverable	505,373	853,807	(348,434)
Misc Income	214,468	146,243	68,225
Solar Panel Income	17,562	15,996	1,566
	2,829,288	3,089,703	(260,415)
Employment Costs	1,109,305	1,100,770	(8,535)
Property	174,385	120,550	(53,835)
General Expenses	198,082	252,686	54,605
Materials / Stock	15,582	33,100	17,519
Motor & Plant	321,866	173,938	(147,928)
Miscellaneous	756,033	981,782	225,749
Recharges	(389,807)	(247,746)	142,060
Plant	568,628	418,002	(150,626)
Total Expenditure	2,754,073	2,833,082	79,009
Net Surplus / (Deficit)	75,215	256,621	(181,406)

Black Sluice Internal Drainage Board
Balance Sheet at Period End
2018/19
Period 12 - March 2019

	<u>This Year</u>		<u>Last Year</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	723,609		763,003	
Fixed Assets		5,454,313		5,493,707
Stock	32,900		31,916	
Debtors Control	131,879		85,763	
VAT	(60,483)		(15,062)	
Drainage Rates Control	218		(0)	
Car Loans	22,390		25,672	
Prepayments	71,126		74,636	
Drawings Bank Account	10,000		(70,132)	
Call Bank Account	310,886		310,450	
Petty Cash	200		252	
Highland Water	2,059		202	
Work in Progress	5,730		7,377	
Nat West Government Procurement C	(48)		(885)	
Brewin Dolphin Investment	490,809		0	
Natwest Reserve Account	915,626		1,081,991	
Total Current Assets		1,933,293		1,532,180
Trade Creditors	(278,993)		(162,179)	
Accruals	(266,317)		(154,710)	
Suspense	(0)		(0)	
Total Liabilities		(545,309)		(316,889)
Pension Liability		(3,655,000)		(3,353,000)
		3,187,297		3,355,998
Capital Reserve	5,454,315		5,493,709	
Pension Reserve	(3,655,000)		(3,353,000)	
Brewin Dolphin Revaluation	(9,191)		0	
Total Capital		1,790,124		2,140,709
Revenue Reserve	1,166,811		910,190	
Development Reserve	155,103		126,773	
Plant Reserve	29,922		(118,398)	
Wag Oncost Reserve	(29,878)		40,103	
General Resere	75,215		256,621	
Total Reserves		1,397,173		1,215,289
		3,187,297	0	3,355,998
<u>Cash & Bank Balances</u>				
Drawings Account		10,000		
Call Account		10,886	310,886	
Natwest Reserve Account @ 0.01%		915,626		
Petty Cash		200		
Chargecard		(48)		
Monmouthshire BS @ 0.15%		300,000	30 Day Notice	
		1,236,663		

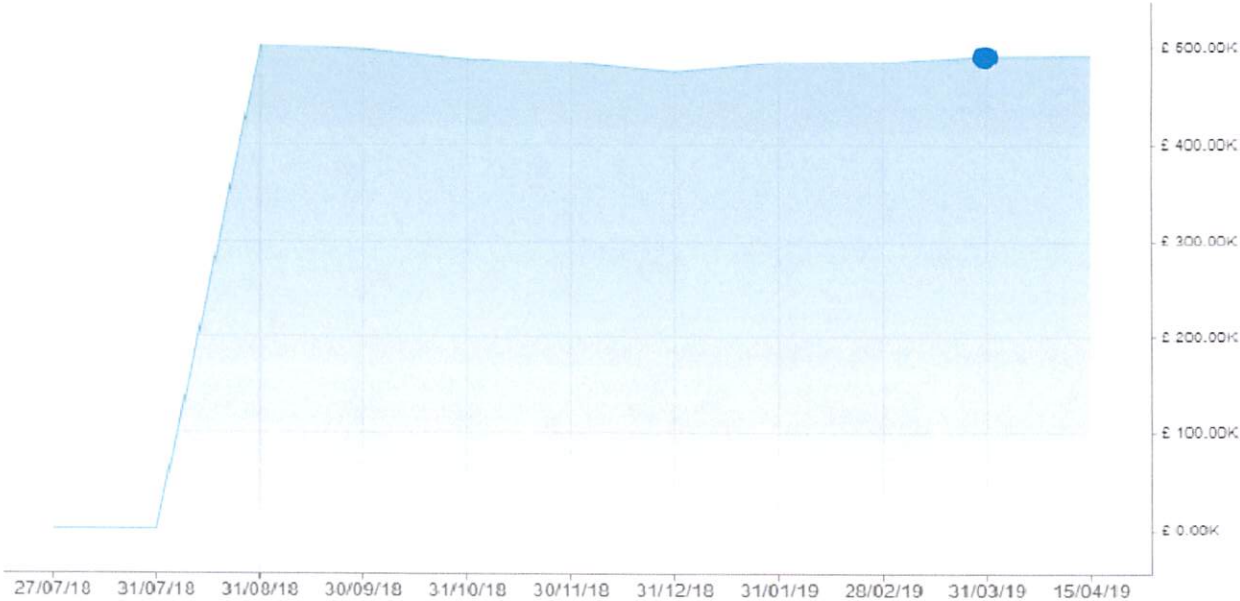
Black Sluice Internal Drainage Board Investment Summary 2018/19 Period 12 - March 2019

Performance

CHART
▼ Portfolio Value

PORTFOLIO VALUE

DATE: 31 Mar 2019 PORTFOLIO VALUE: 490,808.44 GBP PERIODIC PERFORMANCE: 1.37%
CUMULATIVE PERFORMANCE: 0.52%



Annual Governance and Accountability Return 2018/19 Part 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but:
 - are unable to certify themselves as exempt (fee payable); or
 - have requested a limited assurance review (fee payable)

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2018/19

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Part 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with Proper Practices.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
 - The **annual internal audit report** is completed by the authority's internal auditor.
 - **Sections 1 and 2** are to be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published **before 1 July 2019**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both):
 - the Annual Governance and Accountability Return Sections 1 and 2, together with
 - a bank reconciliation as at 31 March 2019
 - an explanation of any significant year on year variances in the accounting statements
 - notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2018/19

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the review and is able to give an opinion on the limited assurance review, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on a publicly accessible website:

Before 1 July 2019 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2018/19**, approved and signed, page 4
- **Section 2 - Accounting Statements 2018/19**, approved and signed, page 5

Not later than 30 September 2019 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 & 2 of AGAR** including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

**for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.*

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2018/19

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this Annual Governance and Accountability Return. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the Annual Governance and Accountability Return is complete (i.e. no empty highlighted boxes), and is properly signed and dated. Where amendments are made by the authority to the AGAR after it has been approved by the authority and before it has been reviewed by the external auditor, the Chairman and RFO should initial the amendments and if necessary republish the amended AGAR and recommence the period for the exercise of public rights. If the Annual Governance and Accountability Return contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the annual internal audit report if possible prior to approving the annual governance statement and before approving the accounts.
- Use the checklist provided below to review the Annual Governance and Accountability Return for completeness before returning it to the external auditor by email or post (not both).
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the Annual Governance and Accountability Return covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2018) equals the balance brought forward in the current year (Box 1 of 2019).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the period for the exercise of public rights. From the commencement date for a single period of 30 consecutive working days, the approved accounts and accounting records can be inspected. Whatever period the RFO sets it **must** include a common inspection period – during which the accounts and accounting records of all smaller authorities must be available for public inspection – of the first ten working days of July.
- The authority **must** publish the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2019**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?		
	Has all additional information requested, including the dates set for the period for the exercise of public rights , been provided for the external auditor?		
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?		
Section 1	For any statement to which the response is 'no', is an explanation provided?		
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?		
	Has an explanation of significant variations from last year to this year been provided?		
	Has the bank reconciliation as at 31 March 2019 been reconciled to Box 8?		
	Has an explanation of any difference between Box 7 and Box 8 been provided?		
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested.		

**Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

Annual Internal Audit Report 2018/19

BLACK SLUICE INTERNAL DRAINAGE BOARD

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2019.

The internal audit for 2018/19 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. IF the authority certified itself as exempt from a limited assurance review in 2017/18, it met the exemption criteria and correctly declared itself exempt. (<i>"Not Covered" should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR</i>)			✓
L. During summer 2018 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.			Not applicable ✓
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

07/03/2019 08/03/2019 01/05/2019

Name of person who carried out the internal audit

CHRIS HARRIS, TIAA INTERNAL AUDITOR

Signature of person who carried out the internal audit



Date

01/05/2019

*If the response is 'no' you must include a note to state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2018/19

We acknowledge as the members of:

BLACK SLUICE INTERNAL DRAINAGE BOARD

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2019, that:

	Agreed			'Yes' means that this authority:
	Yes	No*		
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓			prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓			made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓			has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓			during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓			considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓			arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓			responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓			disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A	has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.
			✓	

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets should be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

26/06/2019

and recorded as minute reference:

MINUTE REFERENCE

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

Other information required by the Transparency Codes (not part of Annual Governance Statement)

Authority web address

AUTHORITY WEBSITE ADDRESS

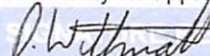
Section 2 – Accounting Statements 2018/19 for

BLACK SLUICE INTERNAL DRAINAGE BOARD

	Year ending		Notes and guidance
	31 March 2018 £	31 March 2019 £	
1. Balances brought forward	984,012	1,215,291	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	2,073,657	2,091,886	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	1,014,324	735,582	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	1,100,770	1,109,305	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	1,755,932	2,036,279	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	1,215,291	897,175	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	1,321,676	1,236,663	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	5,493,707	5,954,313	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
			N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2019 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

 SIGNED

Date

01/05/2019

I confirm that these Accounting Statements were approved by this authority on this date:

26/06/2019

as recorded in minute reference:

MINUTE REFERENCE

Signed by Chairman of the meeting where the Accounting Statements were approved

SIGNATURE REQUIRED

Section 3 – External Auditor Report and Certificate 2018/19

In respect of

BLACK SLUICE INTERNAL DRAINAGE BOARD

1 Respective responsibilities of the body and the auditor

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2019; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

2 External auditor report 2018/19

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

3 External auditor certificate 2018/19

We certify/do not certify* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2019.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY

*Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

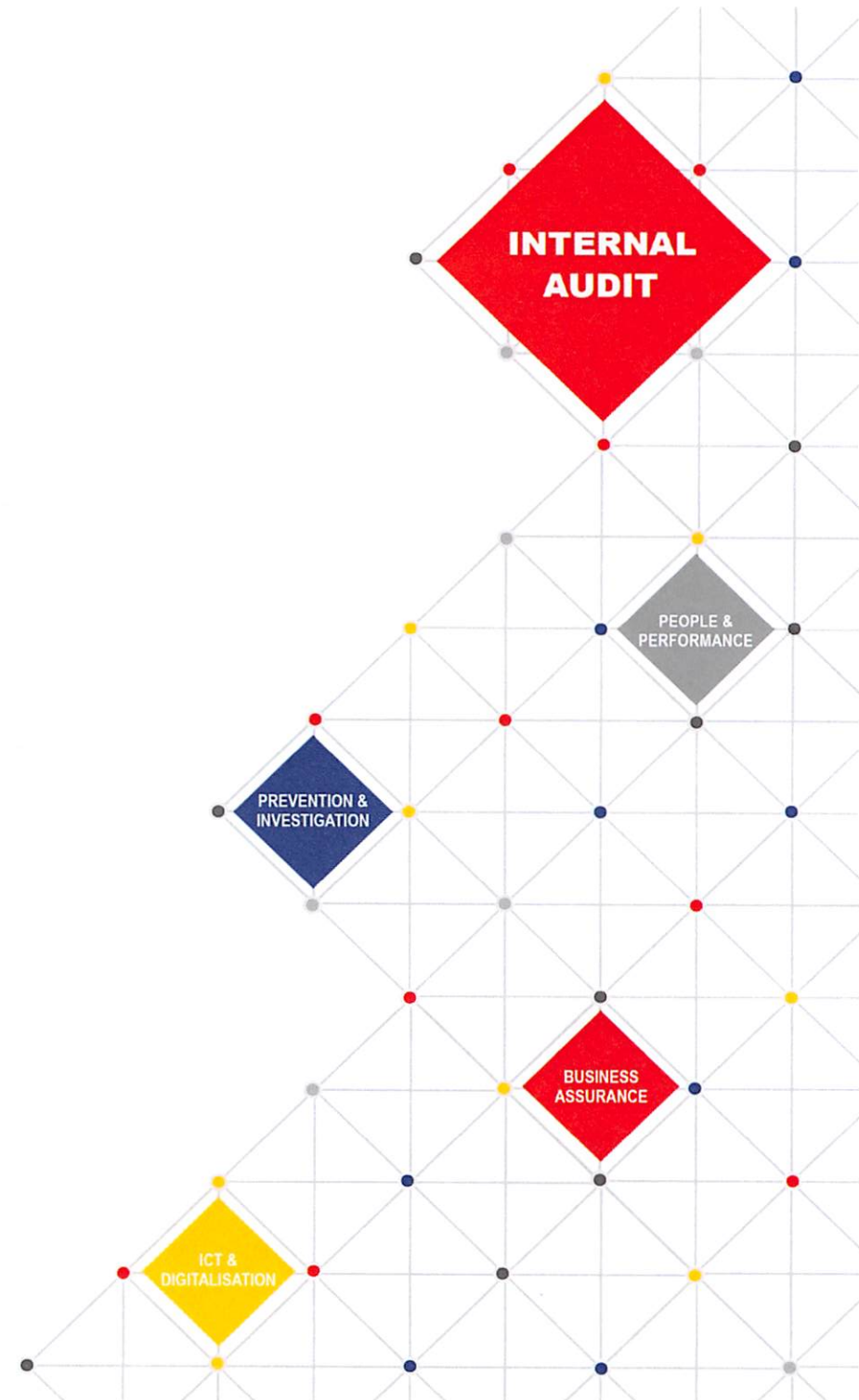
Black Sluice Internal Drainage Board

Assurance Review of Governance, Risk and Control

March 2019

FINAL

2018/19



Executive Summary

OVERALL ASSURANCE ASSESSMENT



OVERALL CONCLUSION

Overall the Black Sluice Internal Drainage Board has good systems in place and the governance, risk and control framework is working well.

- All matters arising from the previous internal audit report in 2017/18 have been satisfactorily resolved.
- The Procurement Policy needs to be revised to clarify situations when less than three quotations are received or the lowest quote is not accepted for goods and services that exceed £10,000.

SCOPE

The audit review covered the following key areas as described in the Practitioners Guide for Smaller Authorities:

- Governance;
- Risk Management;
- Accounting Records;
- Expenditure;
- Budget;
- Income;
- Petty Cash;
- Payroll;
- Assets;
- Bank;
- Accounting Systems.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	1	0

Management Action Plan - Priority 1, 2 and 3 Recommendations

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Section 4.1 of the Procurement Policy is a little vague in relation to accountability and governance. The wording of the policy should be updated to reflect that three quotations should be obtained and the lowest bona fide quotation should be accepted and that, should less than three quotations be obtained or other than the lowest is to be accepted, then the matter should be referred to the Board or to the Chairman or Vice-Chair to authorise the purchase.	Section 4.1 of the Procurement Policy be updated to clarify the procedure when either fewer than three quotations are received or other than the lowest quotation is to be accepted.	3	<i>The Audit and Risk committee will review the amended Procurement Policy on 01 May 2019.</i>	01/05/19	Finance Manager

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Operational Effectiveness Matters

Ref	Risk Area	Item	Management Comments
No Operational Effectiveness Matters were identified.			

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Detailed Findings

Introduction

1. This review was carried out in March 2019 as part of the planned internal audit work for 2018/19. Based on the work carried out an overall assessment of the overall adequacy of the arrangements to mitigate the key control risk areas is provided in the Executive Summary.

Background

2. The Black Sluice Internal Drainage board is an authority set up to control water levels and reduce the risk of flooding within the Board's area. It operates 34 pumping stations and maintains 500 miles of watercourses within its area and has a policy of undertaking this work with regard to protecting and enhancing the environmental features in these watercourses.

Materiality

3. The annual turnover for the Black Sluice Internal Drainage Board is some £2.4 million. Black Sluice Internal Drainage Board requires an annual internal audit in accordance with Governance and Accountability for Smaller Authorities in England Practitioners Guide.

Key Findings & Action Points

4. The key control and operational practice findings that need to be addressed in order to strengthen the control environment are set out in the Management and Operational Effectiveness Action Plans. Recommendations for improvements should be assessed for their full impact before they are implemented.

Scope and Limitations of the Review

5. The audit review covered the following key areas as described in the Practitioners Guide for Smaller Authorities:
 - Governance;
 - Risk Management;
 - Accounting Records;
 - Expenditure;
 - Budget;
 - Income;
 - Petty Cash;
 - Payroll;
 - Assets;
 - Banks;
 - Accounting Systems.
6. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Internal Audit Plan.

Disclaimer

7. The matters raised in this report are only those that came to the attention of the auditor during the course of the internal audit review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Risk Area Assurance Assessments

8. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

9. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

10. The table below sets out the history of this report.

Date draft report issued:	20 th March 2019
Date management responses received:	20 th March 2019
Date final report issued:	25 th March 2019

11. The following matters were identified in reviewing the Key Risk Control Objective:

Directed Risk: Failure to direct the process through approved policy & procedures.

Previous Internal audit outcomes 2017/18

- 11.1 The last internal audit was concluded on 15th February 2018 and the following recommendations made:

Recommendation 1: *To comply with Financial Regulation 5.5, a report on the level of drainage rates collected be included on the agenda for each Board meeting.*

This is now occurring and a summary report on drainage rates goes initially to the Executive Team every month prior to the Board

Recommendation 2: *A procedure for disposing of surplus equipment to staff be developed and included within Financial Regulations.*

This has now been included within Financial Regulations at section 7.5.

Policy and Procedures

- 11.2 In the Procurement Policy, it was noted that Section 4.1 for items to be purchased with a value greater than £10,000 was a little vague in relation to accountability and governance. The reference to 'in most cases three quotations will be obtained or the proposed purchase will be approved by the Board' could be open to interpretation and does not provide for which quotation may be accepted. For instance, three quotations could be obtained and the highest one accepted which might not be what the Board Members would have expected or sanctioned in approving this policy and the original budgeted expenditure.
- 11.3 The wording of Section 4.1 of the Procurement Policy should be amended to reflect that three quotations should be obtained and the lowest bona fide quotation should be accepted. Should less than three quotations be obtained or other than the lowest is to be accepted then the matter should be referred to the Board or to the Chair or Vice-Chair to authorise the purchase.

Recommendation: 1

Priority: 3

Section 4.1 of the Procurement Policy be updated to clarify the procedure when either fewer than three quotations are received or other than the lowest quotation is to be accepted.

Board and Committees

- 11.4 The Boards agenda and minutes were reviewed for two consecutive meetings of the Board and found to be in order. These were found to be comprehensive and clear with detailed minutes being taken. They represented a good example of what should be reported to the Board and their content demonstrated that financial procedures were in order and that good governance was apparent.
- 11.5 The agendas and minutes of the Executive and Northern Works Committees were reviewed and found to be in order. These were found to be comprehensive and clear with detailed minutes being taken. They represented a good example of what should be reported to a Committee and their content demonstrated that financial procedures were in order and that good governance was apparent.

Risk Management/Register

- 11.6 The Risk Management Strategy was last reviewed and approved by the Board at its meeting on 30th May 2018.
- 11.7 From the risk register, the risk of 'Pumps Failing to Operate' was selected to assess the effectiveness of the controls to mitigate the risk. It was confirmed that an appropriate maintenance and repair programme was in place and pumps would be subject to a maintenance programme based upon type and use of the pumps. In addition, should a pump fail when required, arrangements were in place with local farmers for them to use their tractors to drive the pumps. The Board also had acquired a Unimog (a four-wheel drive all-purpose vehicle – a cross between a tractor and a small lorry) which amongst its other functions was equipped to drive the pumps. The Unimog and its driver would test the functionality of this at the various pumps from time to time to make sure should the need arise that they were knowledgeable of the procedure involved. All testing and the maintenance and repair programme was recorded for future reference/programming.

Compliance Risk: Failure to comply with approved policy and procedure leads to potential losses.

Accounting System

- 11.8 "Opera" is the main accounting package for the IDB.
- 11.9 The accounting package is well established and works well for the Board providing management and Board members with up to date accounting information.

Accounts Payable

- 11.10 A sense check was carried out on all creditor payments from 4th April 2018 to 7th March 2019. All payments looked reasonable and the payments related to the activities of a drainage board. Five creditor payments were selected for a more detailed review.
- 11.11 One of the creditor payments reviewed flowed from an order to Dredge 10,700 cubic metres of the Extended Forty Foot Drain Channel. This invoice was for Demurrage costs due to a late completion of the project. The original award of contract was not to the lowest tenderer who had quoted on the basis of a longer period on site. This also ties in with Recommendation 1 above to amend the Procurement Policy.

Purchase Order

- 11.12 The Purchase Order system was reviewed and it was confirmed that where appropriate to use the Purchase Order system, goods received had been confirmed and invoices had been matched back to the purchase order.

Budgeting

- 11.13 There is a good system of budgeting in place and, for 2018/19, it was noted that both income and expenditure were favourable to budget and this was likely to give rise to a substantial underspend at year-end which would increase reserves. The reserves policy in Financial Regulations 10.1 (a) is "to continue to reduce the Board's general reserves, with the target of 20% of annual expenditure."
- 11.14 Management Accounts are produced every month which show the actual income/spend against the budget and the variance. It also shows the year-to-date figures. The management accounts are reviewed by the Management Team monthly and by the Executive Committee and Board at each meeting.

Rating

- 11.15 The drainage rate and levies were reviewed and found to be in order. It was noted the low level of drainage rate income that remains uncollected had increased slightly from 2017/18 which at less than 0.1% was always going to be challenging to maintain. For 2018/19 approximately 98.6% of drainage rates had been collected.

Reserves and Future Forecasting

- 11.16 Estimated reserves for 2018/19 are in excess of £1 million. The policy is for reserves to be at around 20% of expenditure. A reserves policy has now been included within Financial Regulations.
- 11.17 Future years' forecasting over a ten-year period is to reduce reserves year-on-year down to around 20% of expenditure by 2028/29. The unexpected surplus which will arise in 2018/19 will require a revision to the 10 year forecast to achieve the planned outcome for reserves held in 2028/29.

Accounts Receivable

- 11.18 Miscellaneous accounts are issued as required to identify income due to the IDB. A collection procedure for this income is now identified within Financial Regulations Section 5.
- 11.19 Debt collection procedures for the Drainage Rate is clearly defined and flows from the date the invoices are sent out (usually April) with court action being instigated normally around September each year for non-payment. Outstanding drainage rates were slightly higher for 2018/19 than the previous year. Action was being taken to progress two aged debtors, otherwise non-drainage rate debts were in order.

Write Offs

- 11.20 Write offs are presented to the Board and will inevitably be for drainage rates that cannot be collected.

Income

- 11.21 The majority of income is received via a bank transfer. Cash is normally retained and used as petty cash. Cheques are banked at the local Post Office as and when received. The recording and banking of income was working well

Petty Cash

- 11.22 Petty cash is maintained on a rolling basis with cash received added to the petty cash and cash payments made as required. The petty cash is reconciled monthly and signed off by the Finance Manager.
- 11.23 The petty cash was checked and verified to be correct. Receipts are given for cash received and receipts obtained for cash given out. VAT is accounted for as required.

Payroll

- 11.24 The payroll system is well established.
- 11.25 A sample of four employees was checked and it was confirmed that their pay data was in order.
- 11.26 Monthly payments are made in accordance with HMRC requirements. Receipts via the HMRC Gateway were confirmed.

Asset Register

- 11.27 The Asset Register is current and up-to-date. The register is comprehensive and includes all IDB assets e.g. Land, Buildings, Plant, Equipment and Pumping Stations.

Bank Reconciliations

- 11.28 Bank reconciliations have been regularly undertaken. A check on recent reconciliations confirmed they were all in balance and reconciled.

Accounting Statements

- 11.29 Accounting Statements are undertaken and these reconcile to the cash book.
- 11.30 Data feeding into the Accounting Statements was confirmed to be correct.

Bourne Fen Farm Trust Fund

Revenue Account for Year Ended 31st March 2019

Income	2019	2018
	£	£
Investment Income	18,052	15,896
 Expenditure		
Contribution to Rates	9,249	9,249
Bank Charges	60	60
Contribution to Administration	6,797	4,808
	16,106	14,117
Surplus	1,946	1,779

Balance Sheet as at 31st March 2019

Capital Assets	Note	2018	2018
Investments	A	354,311	345,446
 Current Assets			
Bank Account		13,587	12,862
Debtors		1,081	1,360
		14,668	14,222
 Current Assets			
Creditors		0	1,500
Net Current Assets		368,979	358,168
 Fund Balances & Reserves			
Revaluation Reserve		255,248	246,383
Capital Fund		104,120	104,120
Revenue Reserve		9,611	7,665
		368,979	358,168
Reserves		368,979	358,168

The above represents a trust fund which was vested in the Black Sluice IDB to fund rate alleviations to the rate payers in the area of Bourne North Fen.

Bourne Fen Farm Trust Fund

Valuation By Brewin Dolphin Stockbrokers

NOTE A

	2019	2018	2019	2018
	% of	% of		
Analysis By Sector	Value	Value	Value £	Value £
UK Equities	25.11	31.68	88,955	109,454
Overseas Equities	32.61	25.83	115,526	89,231
Qualifying Corporate Bonds	24.42	25.37	86,517	87,632
Overseas Bonds	4.33	4.57	15,357	15,776
Absolute Return	4.01	4.01	14,225	13,866
Property	3.83	3.95	13,575	13,635
Other Investments	4.66	3.89	16,500	13,450
Cash	1.03	0.70	3,656	2,402
TOTALS	100.00	100.00	354,311	345,446

BLACK SLUICE INTERNAL DRAINAGE BOARD

EXECUTIVE MEETING - 29 MAY 2019

AGENDA ITEM No 11

FINANCE & RATING REPORT

Rating - Agricultural or Residential?

All land in the Board's area is rated for drainage rates either through agricultural drainage rates or as part of the residential or business rates charged by the district/borough council which in turn is paid over to the Board in the form of a special levy.

From 01 April 1993 a new rating list and valuation came into effect to comply with the requirements of the Land Drainage Act 1991 and broadly speaking there were 2 categories, as per section 37 para 5 "Other Land" which includes Non-domestic or Domestic and Agricultural Land valued at a unit value per hectare.

<p>37 Apportionment of drainage expenses.</p> <p>(1) Subject to any provision made by or under section 38 below, the following provision shall have effect with respect to the raising by a drainage board for any internal drainage district of their expenses for the financial year beginning in 1993 and each subsequent financial year, that is to say—</p> <p>(a) the proportion of the expenses of the board which shall be raised from the proceeds of drainage rates shall be equal to the agricultural proportion, determined for that year in accordance with the following provisions of this section, of land values in that district; and</p> <p>(b) the proportion of the expenses of the board which shall be raised from the proceeds of special levies shall be such as to raise the balance of the expenses of the board remaining after deduction of the amount to be raised for that year from the proceeds of drainage rates.</p> <p>(2) The drainage board for every internal drainage district, before 15th February 1993 and before 15th February in every subsequent year, shall determine for the financial year beginning on the following 1st April—</p> <p>(a) the aggregate annual value of the chargeable properties in that district; and</p> <p>(b) the aggregate value of all other land in that district;</p> <p>and the agricultural proportion for any financial year of land values in that district shall be the amount determined for that year under paragraph (a) above divided by the sum of that amount and the amount determined for that year under paragraph (b) above.</p> <p>(3) A determination made under subsection (2) above for any financial year shall be made as at the 31st December preceding that financial year.</p> <p>(4) For the purposes of this section the annual value of a chargeable property shall be its annual value for the purposes of Chapter II of this Part.</p>
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- (5) For the purposes of this section the value of other land in an internal drainage district shall be taken to be—
- (a) in the case of a hereditament shown in the local non-domestic rating list of a charging authority on 1st April 1990, one third of the relevant proportion of the rateable value shown for that hereditament in respect of that date in that list on 31st December 1992;
 - (b) in the case of domestic property shown in a valuation list on 31st March 1990, one third of the relevant proportion of the rateable value shown for it in the list on that date multiplied by a factor of 6.73;
 - (c) in the case of a hereditament which—
 - (i) is neither one to which paragraph (a) above applies nor domestic property to which paragraph (b) above applies; but
 - (ii) was shown on the 31st March 1990 in the register maintained for the drainage board for that district in accordance with the ^{M4}Registers of Drainage Boards Regulations 1968,
 one third of the annual value shown for that hereditament in that register on that date multiplied by a factor of 8.02;
 - ^{F29}(d) in the case of any land which, as at 31st March 1990 was in the district but to which none of paragraphs (a) to (c) applies, and which did not then comprise agricultural land or agricultural buildings, a nil value;
 - (e) in the case of any land to which none of paragraphs (a) to (d) applies, the amount calculated by multiplying—
 - (i) the area of the land, expressed in hectares and parts of a hectare; by
 - (ii) such a unit value per hectare as represents the average value per hectare of all land to which those paragraphs do apply if the average is calculated by reference to the values determined in accordance with those paragraphs.]
- (6) In paragraphs (a) and (b) of subsection (5) above—
- “relevant proportion”, in relation to the rateable value of any hereditament, means the proportion of that value which the area of the part of the hereditament lying within the internal drainage district in question bears to the total area of that hereditament; and
- “valuation list” means a valuation list maintained under Part V of the ^{M5}General Rate Act 1967.

When agricultural land is developed and becomes “Other Land” the agricultural value is withdrawn and the value is transferred to the Special Levy of the district/borough council, that the land is situated, at a value of £2,150 per acre.

It is generally accepted, by local IDB's, and has been implemented by Black Sluice IDB that a residential property can include land up to half an acre, that is covered within their council tax, but if over half an acre the whole area is subject to agricultural drainage rates.

We have been questioned this year from owners of parcels of ‘non-agricultural land’ over half an acre in size as to whether or not we will charge an agricultural drainage rate against them?

A case study is identified below, the owner stating this land is a garden, therefore not in agricultural use: -

Case Study

The land shown in the pictures equates to 0.67 acres with an annual value of £37 which equates to a drainage rate charge of £4.66.



Agricultural Rates 2019/20

The table indicates the number of agricultural holdings and their size in acres.

Acres		Number	Annual Value (Land & Buildings)	2019/20 Rates
0	0.5	46	£ 1,877	£ 236.50
0.5	1	155	£ 15,493	£ 1,952.12
1	2	214	£ 27,555	£ 3,471.93
2	3	130	£ 44,260	£ 5,576.76
3	4	88	£ 27,172	£ 3,423.67
4	5	65	£ 23,493	£ 2,960.12
5	10	171	£ 180,524	£ 22,746.02
10	20	106	£ 167,642	£ 21,122.89
20	30	40	£ 125,081	£ 15,760.21
30	40	27	£ 290,957	£ 36,660.58
40	50	26	£ 797,259	£ 100,454.63
50	100	72	£ 547,467	£ 68,980.84
100	200	71	£ 726,956	£ 91,596.46
200	300	33	£ 538,501	£ 67,851.13
300	400	33	£ 718,574	£ 90,540.32
400	500	19	£ 547,021	£ 68,924.65
500	1000	29	£ 1,231,992	£ 155,230.99
1000	2000	19	£ 1,477,480	£ 186,162.48
2000	3000	5	£ 693,937	£ 87,436.06
3000	4000	1	£ 206,065	£ 25,964.19
108,675 Acres		1350	£ 8,389,306	£ 1,057,052.56

Decision Required

There is a suggestion that we should not be charging Drainage Rates for 'large gardens' as the occupiers are paying residential council tax.

Our current position is it is recognised that some people may have large gardens, especially in our catchment with its rural landscape, we work on the basis that up to half an acre of land is included within the Council Tax charge and if greater than this it is subject to an Agricultural Drainage Rate charge.

Do we continue with this format or request evidence as in the case study that the land in question has been taken out of agricultural use and therefore no drainage rates will be charged?

Ian Warsap
Chief Executive

BLACK SLUICE INTERNAL DRAINAGE BOARD

EXECUTIVE MEETING - 29 MAY 2019

AGENDA ITEM No 12

PERIOD ONE MANAGEMENT ACCOUNTS

Income

- Drainage Rate collection £177k favourable compared to budget, with £168k more collected at the end of Period 1 than last year. 41.53% collected in just 1 month.
- £11,350 Grant received in P1 for work completed in 2018/19
- Interest/Investment Income £1,349 favourable
- £1500 consents dropped into P1 for Tritton Knoll
- Solar Income £216 favourable
- Rechargeable Income is being shown as a separate item in the Management Accounts for the first time this year and in the absence of history spread equally over the year except for the large SFFD works which are included in the budget in P12.
- Income up £189k but mostly due to drainage rates which can only be collected once.

Expenditure

- Graft Drain scheme overspent by £6,374 in P1. Only another £2000 in budget in P6
- £31,145 brought forward as Work in Progress from 2018/19 for Malting Lane, Donington scheme. Expected overspend of C£6000.
- Scredington Beck Scheme – Originally £50k scheme in 2017/18 Budget carried forward to 2018/19 as £10,470 scheme. Current spend at end of P1 = £19,610.63 so overspend in this year of £8274 will show all year + anymore charged to this code.
- Initial works on Sempringham WS cleaner scheduled for Periods 1-3 have not commenced due to awaiting FDGiA approval.
- The dry weather in April compared to last year has given a favourable start to PS Maintenance.
- Drain Maintenance overall is £10k favourable
- 2019/20's Fly tipping contribution is included in 2018/19's accounts which releases an additional £3519 budget in 2019/20.
- Overall £45k favourable but only £20k if you allow for timing differences in Scheme works.

Balance Sheet

- Plant Account is in an early favourable position generating £5k more than last year.
- £245k of EA PSCA works have been deferred for the SFFD works from last year
- Wages Oncost Account has recovered £10k from the end of year deficit.

Overall

- Early days but £256,560 Favourable compared to budget in Period 1.

D Withnall
Finance Manager

Black Sluice Internal Drainage Board

Project Summary

2019/20

Period 01 - April 2019

Description	Period Current Year			Year To Date					Last Year	
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Variance	Actual YTD	Variance to Current Year
Rates & Levies	428,650	251,788	176,862	428,650	251,788	176,862	0	428,650	260,714	167,936
Interest & Grants	14,183	1,484	12,699	14,183	1,484	12,699	0	14,183	43	14,140
Development Fund	0	0	0	0	0	0	0	0	0	0
Other Income	15,665	4,015	11,650	15,665	4,015	11,650	0	15,665	4,865	10,800
Rechargeable Income	8,199	20,833	(12,634)	8,199	20,833	(12,634)	0	8,199	(7,377)	15,576
Solar Panel Income	2,010	1,794	216	2,010	1,794	216	0	2,010	1,693	317
Total Income	468,707	279,914	188,793	468,707	279,914	188,793	0	468,707	259,939	208,768
Schemes	1,413	20,000	18,587	1,413	20,000	18,587	0	(1,413)	(20,138)	(21,550)
Pumping Station Schemes	91	18,000	17,909	91	18,000	17,909	0	(91)	(1)	(92)
Pumping Station Maintenance	17,358	39,069	7,099	17,358	39,069	7,099	0	(31,970)	22,948	17,134
Electricity	14,611			14,611					26,156	0
Drain Maintenance	35,250	45,167	9,917	35,250	45,167	9,917	0	(35,250)	24,037	(11,213)
Environmental Schemes	1,615	3,594	1,979	1,615	3,594	1,979	0	(1,615)	4,008	2,392
Administration & Establishment	43,319	46,646	3,327	43,319	46,646	3,327	0	(43,319)	40,250	(3,069)
EA Precept	0	0	0	0	0	0	0	0	0	0
Rechargeable Expenditure	8,199	19,841	(11,642)	8,199	19,841	(11,642)	0	8,199	(7,377)	15,576
Solar Panel Expenses	2,288	0	(2,288)	2,288	0	(2,288)	0	(2,288)	315	(1,973)
Total Expenditure	124,144	192,317	44,888	124,144	192,317	44,888	0	(107,747)	90,198	(2,794)
Surplus / (Deficit)	344,563	87,597	256,966	344,563	87,597	256,966	0	344,563	169,741	174,822
Movement on reserves										
Plant Reserve	(13,512)	(21,363)	(7,851)	(13,512)	21,363	34,875	0	13,512	(7,741)	5,771
Wages oncost Reserve	(9,661)	0	9,661	(9,661)	0	9,661	0	9,661	10,456	20,116
Grants Manager	4,131	0	(4,131)	4,131	0	(4,131)	0	(4,131)	0	(4,131)
Surplus / (Deficit)	363,605	108,960	259,286	363,605	66,234	216,560	0	325,520	167,026	153,065

Black Sluice Internal Drainage Board Drainage Rates & Special Levies

2019/20

Period 01 - April 2019

Drainage Rates & Special Levies Due

Drainage Rates

Annual Drainage Rates - Land and/or buildings	1,054,355.66	
Land/Property - Value Decreased	(3,899.43)	
Land/Property - Value Increased	2,442.73	
New Assessment	1,394.57	
Write Offs & Irrecoverables	(4.62)	
Adjustments required for Special Levy	4.78	
Credit Due		
Costs Due		
Balance	1,054,293.69	50.35%

Special Levies

Boston Borough Council	787,059.25	
South Holland District Council	126,222.77	
North Kesteven District Council	68,197.12	
South Kesteven District Council	58,113.22	
	1,039,592.36	49.65%

Total Due	2,093,886.05	100.00%
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Drainage Rates & Special Levies Collected

B/F Arrears/(Allowances)	(217.91)	
Payments Posted	428,867.73	41.53%
Bourne North Fen Trust Contribution	9,244.19	
Special Levies Received	0.00	0.00%
Total Received	437,894.01	

Drainage Rates & Special Levies Debtors

Special Levy Outstanding	1,039,592.36	100.00%
Drainage Rates Outstanding	616,399.68	58.47%
	1,655,992.04	
	2,093,886.05	

Black Sluice Internal Drainage Board

Income & Expenditure Summary

2019/20

Period 01 - April 2019

	This Year	Last Year	Variance
Drainage Rates	428,650	260,714	167,936
Special Levies	0	0	0
Recoverable	8,199	(7,377)	15,576
Misc Income	30,013	5,022	24,991
Solar Panel Income	2,010	1,693	317
	468,872	260,052	208,819
Employment Costs	80,894	87,019	6,125
Property	19,610	24,834	5,225
General Expenses	12,320	6,976	(5,344)
Materials / Stock	800	2,895	2,095
Motor & Plant	14,601	9,830	(4,770)
Miscellaneous	(22,957)	(39,034)	(16,077)
Recharges	(42,625)	(23,472)	19,153
Plant	42,625	23,979	(18,646)
Total Expenditure	105,267	93,027	(12,240)
Net Surplus / (Deficit)	363,605	167,026	196,579

Black Sluice Internal Drainage Board
Balance Sheet at Period End
2019/20
Period 01 - April 2019

	<u>This Year</u>		<u>Last Year</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	723,609		763,003	
Fixed Assets		5,454,313		5,493,707
Stock	32,425		26,269	
Debtors Control	18,402		1,806	
VAT	(15,166)		(13,275)	
Drainage Rates Control	0		0	
Car Loans	21,599		24,397	
Prepayments	56,247		64,295	
Drawings Bank Account	(54,382)		(11,067)	
Call Bank Account	310,886		321,468	
Petty Cash	492		479	
Highland Water	2,059		202	
Work in Progress	(232,073)		15,813	
Nat West Government Procurement C	0		(1,654)	
Brewin Dolphin Investment	491,343		0	
Natwest Reserve Account	1,165,964		1,226,795	
Total Current Assets		1,797,796		1,639,208
Trade Creditors	37,429		(23,763)	
Accruals	(51,938)		(199,521)	
Suspense	(0)		(0)	
Total Liabilities		(45,673)		(256,892)
Pension Liability		(3,655,000)		(3,353,000)
		3,551,436		3,523,023
Capital Reserve	5,454,315		5,493,709	
Pension Reserve	(3,655,000)		(3,353,000)	
Brewin Dolphin Revaluation	(8,657)		0	
Total Capital		1,790,658		2,140,709
Revenue Reserve	1,242,026		1,166,811	
Development Reserve	155,103		126,773	
Plant Reserve	29,922		(118,398)	
Wag Oncost Reserve	(29,878)		40,103	
General Resere	363,605		167,026	
Total Reserves		1,760,778		1,382,315
		3,551,436	0	3,523,023
<u>Cash & Bank Balances</u>				
Drawings Account		(54,382)		
Call Account		10,886	310,886	
Natwest Reserve Account @ 0.01%		1,165,964		
Petty Cash		492		
Chargecard		0		
Monmouthshire BS @ 0.15%		300,000	30 Day Notice	
		1,422,961		

Black Sluice Internal Drainage Board Investment Summary 2019/20 Period 01 - April 2019

OWNER NAME: Black Sluice Internal Drainage Board - New Account | PORTFOLIO: P1684056 | VALUATION DATE: 14 May 2019

GROUP BY ASSET ALLOCATION L1

Portfolio Overview

OWNER NAME

Black Sluice Internal Drainage Board -
New Account

LAST 12 MONTHS PERFORMANCE

1.65%



TOTAL VALUE

491,343.20 GBP

ESTIMATED ANNUAL INCOME

17,725.16 GBP

INVESTMENT OBJECTIVE

Income

MANAGEMENT TYPE

Discretionary

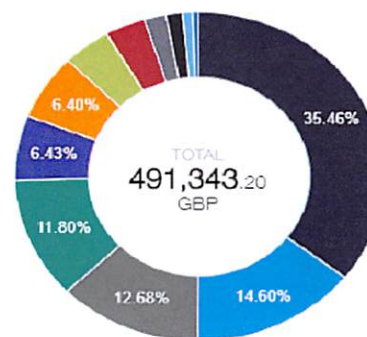
RISK PROFILE

Risk Level 3

My Accounts

ACCOUNT	TOTAL CASH	TOTAL STOCK	TOTAL VALUE	TOTAL INCOME
BLACK1665	2,425.03 GBP	488,918.17 GBP	491,343.20 GBP	17,725.16 GBP
	2,425.03 GBP	488,918.17 GBP	491,343.20 GBP	17,725.16 GBP

Portfolio Summary



UK Bonds
174,222.69 GBP

Absolute Return
62,278.56 GBP

Other Investments
31,374.80 GBP

North American Equities
20,949.92 GBP

Asia Pacific Equities
9,516.00 GBP

Japanese Equities
4,505.55 GBP

Property
71,751.00 GBP

UK Equities
57,976.76 GBP

Overseas Bonds
31,458.24 GBP

Global Investments
17,449.60 GBP

European Equities
7,234.85 GBP

Cash
2,425.03 GBP

BLACK SLUICE INTERNAL DRAINAGE BOARD
EXECUTIVE MEETING - 29 MAY 2019
AGENDA ITEM No 13
EIGHT YEAR PLANT REPLACEMENT BUDGETS (MAY 2019)

	Existing Plant/Equipment	Year Purchased	Age	Replace Year	New Plant	Cost	Trade In	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Brought Forward							£29,922	£49,962	£78,962	£130,362	£180,230	£284,635	£149,149	£149,843	£127,290
1	Twiga SPV2 (2015)	2015/16	9 years	2024/25	Twiga/Herder?	£200,000	£20,000						£180,000			
2	Twiga SPV2 (2016)	2016/17	9 years	2025/26	Twiga/Herder?	£200,000	£20,000							£180,000		
3	Twiga SPV2 (2017)	2017/18	9 years	2026/27	Twiga/Herder?	£205,000	£20,000								£185,000	
4	Aebi & Flail	2016/17	12 years		Rear Side Flail	£15,000										
5	Hitachi ZX 210LC-5B	2016/17	8 years	2024/25	20T Excavator	£150,000	£35,000						£115,000			
6	Unimog	2009/10	11 years	2020/21	JCB Fastrac 4220	£140,000	£40,000		£100,000							
7	JCB 130 Telescopic LR	2009/10	10 Years	2018/19	13T Telescopic Exc.	£105,000	£18,500									£86,500
8	JCB 160 Telescopic LR	2010/11	9 years	2019/20	13T LR	£130,000	£20,000	£110,000								£110,000
9	JCB 145 Telescopic LR	2013/14	8 years	2021/22	16T Telescopic Exc	£120,000	£19,000			£101,000						
10	JCB 130 Telescopic LR	2014/15	8 years	2022/23	13T Telescopic Exc.	£110,000	£17,000				£93,000					
11	JCB 531 Teleporter	2012/13														
12	Vauxhall (Fitter)	2012/13	7 years	2019/20	Fitters Van	£17,000	£1,500	£15,500							£16,000	
13	Nissan (Ops Manager)	2015/16	4 years	2019/20	Pick-Up	£20,431	£8,333	£12,098				£17,000				£19,000
14	Nissan (Ops Supervisor)	2015/16	4 years	2019/20	Pick-Up	£20,431	£5,500	£14,931				£17,000				£19,000
15	Nissan (Pump Eng)	2015/16	4 years	2019/20	Pick-Up	£20,431	£5,000	£15,431				£17,000				£19,000
16	Pick-Up (Works Manager)	2019/20				£22,000		£22,000				£18,000				£20,000
17	Vauxhall Tipper	2012/13	8 years	2020/21	Tipper	£25,000	£8,000		£17,000							
18	Dump Trailer 1	2006			Dump Trailer						£12,500					
19	Low Loader Trailer	2004	18 years	2022/23	Low Loader	£20,000	£2,000		£18,000							
20	100mm Self priming Pump		15 years	2017/18		£15,000					£15,000					
21	Vibrating piling hammer	2015/16	20 years	2035/36												
22	150mm Portable Pump	2006	15 years	2021/22		£15,000				£15,000						
23	Compressor	2008	18 years	2023/24		£6,000									£6,000	
24	Weedbaskets								£6,000	£6,000	£6,500	£7,000	£7,000	£7,000	£7,000	£7,000
25	Lawnmower & Trailer etc	2016/17	8 Years	2024/25		£17,000	£2,000						£15,000			
26	Fuel Tanks												£2,500			
	Net Spend from Plant Reserve							£189,960	£141,000	£122,000	£127,000	£76,000	£319,500	£187,000	£214,000	£280,500
	Generated							£210,000	£170,000	£173,400	£176,868	£180,405	£184,013	£187,694	£191,448	£195,277
	Balance C/F							£29,922	£49,962	£78,962	£130,362	£180,230	£284,635	£149,149	£149,843	£127,290

BLACK SLUICE INTERNAL DRAINAGE BOARD

EXECUTIVE MEETING - 29 MAY 2019

AGENDA ITEM No 14

PREPARATION OF PUMPING STATION CONTINGENCY PLANNING

Van Heck's quotation to undertake their Contingency Plan assessment/proposals for our Chainbridge and Holland Fen Pumping Stations is attached, their costs being 9,900 Euros (c£8,600).

I am seeking approval to move forward with this option, there will be additional costs for structural surveys of the suction bays (do they have the strength to withstand the weight of the large heavy pumps to be placed upon them?) and then any works, predominantly bank access/crane access/bank platform works that will be required. These could be completed this financial year or budgeted for future years? I would suggest a budget figure of £17,000 per pumping station.

The benefit being once we have these Contingency Plans agreed with Van Heck our own staff can use the same application process at our other larger pumping stations in preparing our own Contingency Plans for those locations, i.e. our other three pump pumping stations being: - Donington North Ings, Swineshead, Ewerby, Great Hale, Cooks Lock, Gosberton, Black Hole Drove, Wyberton Marsh etc. and in turn budget and implement these works over a number of years.

Ian Warsap
Chief Executive

QUOTATION

1. **Customer:** **BLACK SLUICE IDB**
Station Road
PE20 3PW, Boston
United Kingdom
2. **Lessor:** Van Heck BV, Noordwolde
The Netherlands
3. **Description:**

In response to the request during our visit the 1st of March we are pleased to present our budget proposal 18.567 for a contingency plan. The plan can be used for taking over temporarily pumping station Holland Fen and Kirton & Frampton (Chain bridge). The capacity of the stations are respectively 17.280 and 13.680 m³ / hour.

The offer is based on:

- Measuring on-site for making drawings for the design of the temporary pump set-up
- Guidance and access to the sites during surveying
- Three detailed temporary pump set-ups
- Detailed drawings per set-up
- Detailed packing list of the necessary material per set-up
- Pump capacity calculation per set-up
- Installation plan
- Every plan is delivered digitally. In addition to a digital plan, a hard copy of the set-up is supplied

To be provided by Black Sluice IDB:

- All relevant water levels and desired capacities per pumping station
- Contact and communication towards crane companies



Project no. : 18.567
Location : Contingency plan H. Fen, K & F
Date : 22-3-2019
Page : 2 of 2

4. Price and conditions

Price for each pumping station for the above mentioned activities: **€ 9.900,-**

Prices: in Euro's, are strictly net and exclude VAT.
Payment: within 30 days of the invoice date.
Validity quotation: 6 months from date of quotation.
Conditions: All contracts and transactions are subject to our general supply conditions, which are registered with the Dutch chamber of commerce. Your signing of this document confirms you have read and understood our terms and conditions and that you agree to them in full.

Lessor
Van Heck BV

Customer
Black Sluice IDB

J.G.M. van Heck

.....
Authorised signature

BLACK SLUICE INTERNAL DRAINAGE BOARD

EXECUTIVE MEETING - 29 MAY 2019

AGENDA ITEM No 15

WATER RESOURCE EAST (WRE) BOARD MEMBERSHIP

Through the Chair (Robin Price) of the Water Resource East (WRE) ADA has been approached with regards to having a seat on the newly created Board of the WRE.

ADA believe that it is not appropriate for them to fill a Board seat at WRE as it is a business focussed role dealing with business limited to a particular area of the country. There are several other entities similar to WRE across the country and ADA see their role as independent and advisory.

ADA national will be an active part of the Strategic Advisory Group therefore maintaining their independence to be able to challenge and support.

ADA have suggested the following: -

1) Between the interested IDBs, (Welland & Deepings, North-Level, Mid-Level, Ely, WLMA, Witham 4th and Black Sluice) you nominate someone to represent all IDB's on WRE's Board?

2) ADA Lincs, ADA Welland & Nene and ADA Great Ouse Branches nominate one of their Chairs to take the WRE Board seat?

WRE have intimated that each Board seat will be asked to put forward £15k and it is suggested that each of the IDBs directly affected to contribute their part. Subject to ADA Board approval, they also see ADA national making a contribution, if it went down the Branch appointment route.

ADA would like feedback ahead of the P&F Committee meeting on 4th June 2019.

Information relating to a WRE Board seat: -

£15k per annual contribution subject to approval of the WRE budget each year. ADA's thoughts are that it could be shared by the IDBs directly involved with WRE meaning that each Board would need to put forward £2,500 to £3,000 each year.

The money raised from Board members is for the salaries of staff, office rental, office equipment etc. it is not for technical project work or larger delivery schemes.

The financial liability is limited to £1 and the standard conditions of a limited company.

The WRE board will meet up to 5 times per year, most likely near Peterborough.

Anglian Water Services will have a seat on the Board, whilst the present operation is very much driven by AWS, they are very keen to dilute that, hence the setting up of the company and wider partnership working.

The first Board meeting will be held at 10.00am on Monday June 24th at the NFU offices in Newmarket, and will be followed by the first meeting of the Strategic Advisory Group & Consultation Group at 12.30pm. Individual IDBs in the region will all be invited to attend the afternoon session.

BSIDB have responded directly to WRE with the following message: -

'Black Sluice IDB (Chairman & Chief Executive) are heavily involved or will be when the time comes with the technical delivery and consultation phases of the South Lincs Water Partnership concept under the umbrella of the WRE and that is where we see our most relevant and valued roles.

We are a catchment based organisation, accountable to our ratepayers and initially concentrating on what multiple benefits the SLWP can (and will) offer to our catchment before the benefits are extend onto others.

I trust you understand our position; I thank you for thinking of us but unfortunately decline your kind invitation'.

ADA in turn, as per the details above have suggested we should represent ourselves, David Thomas, Chief Executive at Mid-Level IDB has expressed an interest as standing as a WRE Board member on behalf of the regional IDB's.

I would like to confirm our position and revert back to ADA national before the P&F Committee meeting.

Ian Warsap
Chief Executive

Black Sluice Internal Drainage Board

Unaudited Financial Statements
For The Year Ended 31st March 2019

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Black Sluice Internal Drainage Board - Members

Elected Members		Electoral District
Mr K C Casswell	Chairman - Board	E
	Chairman - Executive Committee	
Mr P Holmes	Vice Chairman - Board	G
	Chairman - Northern Works	
	Chairman - Environment Committee	
Mr M Rollinson	Chairman - Southern Works	F
Mr J Fowler	Chairman - Bridges & Culverts	G
Mr W Ash		D
Mr J F Atkinson		D
Mr V A Barker		C
Mr R Leggott		A
Mr P Robinson		B
Mr N Scott		B
Mr J R Wray		E

Members Appointed by District Councils

Boston Borough Council	
Mr M Brookes	Chairman - Audit & Risk Committee
Mr T Ashton	
Mr P Bedford	
Mr C Brotherton	
Mr M Cooper	
Mrs C Rylott	
Mr P Skinner	

South Holland District Council	
Mrs S Wray	

South Kesteven District Council	
Mr R Russell	

North Kesteven District Council	
Mrs S Waring	

Senior Officers	
Mr Ian Warsap Bsc. C Eng	Chief Executive Officer
Mr Daniel Withnall MCGI MInstLM FMAAT	Finance Manager

ANNUAL REPORT

Introduction

The Black Sluice Internal Drainage Board is an independent body created under land drainage statutes responsible for flood risk, land drainage and water level management works, other than on main rivers, in the Black Sluice IDB area. Board Members are either elected by and represent the occupiers of land in the area or are nominated by the District Councils in the Board's area. The Board consists of 11 elected members and 10 nominated members. Further details are on page 3.

The Board secures income mainly from drainage levies on farmers and other occupiers and from special levies on local authorities. The Board also pays levies to the Environment Agency to fund works on main rivers that protect the drainage district.

This document is the statement of accounts of Black Sluice IDB for the financial year ending 31st March 2019, set out on pages 6 to 14. The accounts consist of:

The Annual Governance Statement

The system of internal control is designed to manage the risk to a reasonable level, the IDB's statement details how this is achieved.

The Statement of Responsibilities

This statement identifies the officer who is responsible for the proper administration of the Board's financial affairs.

The Statement of Accounting Policies

This statement details the legislation and source of accounting principles on which the financial statements are prepared.

The Income and Expenditure Account

This statement summarises the resources that have been generated and consumed in providing services and managing the IDB during the last year.

The Balance Sheet

This statement is fundamental to the understanding of the Board's financial position at the year end. It shows the balances and reserves at the Board's disposal and the fixed and net current assets employed in its operation, together with summarised information on the fixed assets held. The statement also includes assets and liabilities of the Board.

Notes to the Accounts

The notes relating to the statements above are detailed after the core statements.

THE ANNUAL GOVERNANCE STATEMENT

We acknowledge as the Members of the Black Sluice Internal Drainage Board our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31st March 2019, that:

	Agreed - Yes or No	Yes' means that the board:
1 We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	Yes	prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	Yes	made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3 We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	Yes	has only done what it has the legal power to do and has complied with proper practices in doing so.
4 We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	Yes	during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5 We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	Yes	considered and documented the financial and other risks it faces and has dealt with them properly.
6 We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	Yes	arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7 We took appropriate action on all matters raised in reports from internal and external audit.	Yes	responded to matters brought to its attention by internal and external audit.
8 We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	Yes	disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.

This annual governance statement is approved by the body and recorded as minute reference dated 26th June 2019.

Signed on behalf of Black Sluice Internal Drainage Board.

.....
Mr Keith Casswell
Chairman
26th June 2019

.....
Mr Daniel Withnall
Finance Manager
26th June 2019

THE STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Board is required:

- a) to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Board, that officer is the Finance Manager.
- b) to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Finance Manager's Responsibilities

The Finance Manager is responsible for the preparation of the Board's Statement of Accounts which is required to present a true and fair view of the financial position of the Board at the accounting date and its income and expenditure for the year ended 31st March 2018.

In preparing this statement of accounts, the Finance Manager has:-

- a) selected suitable accounting policies and then applied them consistently,
- b) made judgement and estimates that were reasonable and prudent,
- c) compiled the accounts in accordance with UK Generally Accepted Accounting Practices,
- d) applied the accounting concept of a 'going concern' by assuming that the IDB will continue to operate for the foreseeable future.

The Finance Manager has also:-

- a) kept proper accounting records which were up to date;
- b) taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Finance Manager

These Financial Statements present a true and fair view of the financial position of the Board at 31st March 2019 and its income and expenditure for the year then ended.

.....
Mr Daniel Withnall
26th June 2019

Certificate of the Chairman of the Board

I confirm that these accounts have been approved by the Black Sluice Internal Drainage Board at a meeting held on the 26th June 2019.

.....
Mr Keith Casswell
26th June 2019

STATEMENT OF ACCOUNTING POLICIES

1. General

These accounts have been prepared in accordance with the following accounting concepts:- Accruals, Relevance, Consistency, Reliability, Comparability, Understandability, Materiality and Going Concern.

2. Fixed Assets

Fixed assets are recognised as expenditure on acquisition, creation or enhancements with a value in excess of £5,000 and a useful life in excess of one year.

Fixed assets are valued on the following basis:-

- a) Land is included at historic cost.
- b) Operational Buildings are included in the balance sheet at valuation. The Offices and Depot were valued on 31st March 2016 by Mr Robert J Hurst FRICS FAAV, Chartered Surveyor, at market value. It is the Boards intention to value Operational Buildings at an open market value every five years and not depreciate in the intervening years.
- c) Pumping Stations were valued on 31st March 2009 by Mr JW Castley FRICS FAAV, Chartered Surveyor, at open market valuation. It is the Boards intention to **retain these values in the accounts as a nominal value** and not depreciate in the intervening years.
- d) Non - Operational Property is included in the balance sheet at market value. It was valued on 31st March 2016 by Mr Robert J Hurst FRICS FAAV, Chartered Surveyor, at market value. It is the Boards intention to value non-operational property at an open market value every five years and not depreciate in the intervening years.
- e) Vehicles, Plant & Equipment are included at cost less depreciation.

Disposals are written off at cost less depreciation. Any surplus/deficit arising is charged/credited to the appropriate reserve.

Depreciation has been provided on a straight line basis, on motor vehicles and equipment, excavators and plant, computers, office equipment with a purchase cost in excess of £5,000.

Plant & Vehicles	7 Years
Equipment	4 Years

3. Income

Income includes drainage rates on local agricultural land and buildings, special levies on district/borough councils, recharged works, government grants, rental income and interest on investments. Where applicable, this is net of Value Added Tax and is recognised when the Board has a right to receive the income.

4. Expenditure

Expenditure is included on an accruals basis.

5. Stock & Work in Progress

Stocks and work in progress are stated at the lower of cost or net realisable value.

6. Government Grants and Contributions

Government grants and contributions have been credited to the income and expenditure account on an accruals basis. Government grants used for the acquisition of fixed assets have been deducted from the purchase price of the asset.

7. Provisions

The Board sets aside provisions where there is a definite liability, but the amount and timing of settlement is not known. Details are given as notes to the accounting statements.

8. Pensions

The Board paid an employers contribution of £202,555 on employees pensionable pay into the Lincolnshire County Council pension fund

9. Discontinued Operations

The Board had no material operations which it acquired or which were discontinued in the year and therefore no separate disclosure is required in respect of the Income and Expenditure account and balance sheet accounts.

10. Internal Interest

Interest is allocated to the Income and Expenditure Account, Development Fund, Plant Fund and Wages Oncost Fund based on the average level of their balances.

Black Sluice Internal Drainage Board Income and Expenditure Account For Year Ended 31st March 2019

	Note	2018/19	2017/18
Income		£	£
Drainage Rates		1,054,817	1,055,763
Special Levies on Councils	1	1,037,069	1,017,894
Income from Rechargeable Works		505,373	853,807
DEFRA Grants	2	110,805	37,012
Sundry Income	3	96,033	25,518
Rental Income		7,366	7,366
Investment Income		7,332	
Development Reserve Contribution		5,000	88,830
Interest		3,673	1,792
		2,827,468	3,087,982
Expenditure			
Drain Maintenance		771,101	673,851
Cost of Rechargeable Works		474,797	795,625
Administration Costs		399,422	352,790
Pumping Stations		348,541	341,563
Asset Refurbishments	4	300,342	237,013
Environment Agency Precept		276,552	276,552
Establishment Charges		57,240	60,673
Miscellaneous Charges		53,947	31,785
Depot Costs		53,241	45,016
Environmental Schemes		17,071	16,492
		2,752,254	2,831,360
Surplus / (Deficit)		75,214	256,622

Black Sluice Internal Drainage Board Balance Sheet as at 31st March 2019

	Note	2018/19	2017/18
Fixed Assets			
Pumping Stations		3,861,354	3,861,354
Land & Buildings		739,350	739,350
Vehicles, Plant & Equipment		723,609	763,003
Non Operational Assets		130,000	130,000
	8	5,454,313	5,493,707
Current Assets			
Stock		32,900	31,916
Debtors & Prepayments	9	172,921	178,588
Investment Valuation		490,809	0
Cash at bank & in hand	10	1,236,663	1,321,676
		1,933,293	1,532,180
Current Liabilities			
Creditors	11	(545,309)	(316,889)
Net Current Assets		1,387,984	1,215,291
Liability related to defined pension scheme		(3,655,000)	(3,353,000)
Total Assets less Liabilities		3,187,297	3,355,998
Capital Reserve		5,454,315	5,493,709
Pension Reserve		(3,655,000)	(3,353,000)
Investment Revaluation Reserve		(9,191)	0
		1,790,124	2,140,709
Revenue Reserve		1,242,027	1,166,812
Development Reserve		155,103	126,773
Plant Reserve		29,921	(118,399)
Wages Oncost Reserve		(29,878)	40,103
		1,397,173	1,215,289
	12	3,187,297	3,355,998

Mr K Casswell
Chairman
26th June 2019

Mr DJ Withnall
Finance Manager
26th June 2019

Black Sluice Internal Drainage Board

Notes to the Accounts

	2018/19	2017/18
1 Special Levies	£	£
Boston Borough Council	784,761	773,180
South Holland District Council	126,090	126,087
North Kesteven District Council	68,105	60,514
South Kesteven District Council	58,113	58,113
	1,037,069	1,017,894

	2018/19	2017/18
2 Government Grants received from Defra	£	£
Kirton Meeres Long Culvert	12,184	27,316
NFF Revetment Works	16,889	3,111
Sempringham PS Weedscreen Cleaner	21,223	2,275
Helpringham PS Refurbishment		2,264
Damford PS Resilience	9	2,046
Malting Lane Pipework	60,500	
	110,805	37,012

	2018/19	2017/18
3 Sundry Income	£	£
Sundry Income	78,472	9,522
Solar Income	17,561	15,996
	96,033	25,518

	2018/19	2017/18
4 Asset Refurbishments	£	£
Drain Asset Improvements	170,596	145,366
Pumping Station Refurbishments	129,746	91,647
	300,342	237,013

5 Remuneration

The table below shows the number of employees whose remuneration was greater than £50,000:

	2018/19	2017/18
Band £		
50,000 to 59,999	1	0
70,000 to 79,999	1	1
	2	1

6 Audit Fees

	2018/19	2017/18
	£	£
Fees paid to the Board's External Auditor	2,800	2,800
	2,800	2,800

7 Related Party Transactions

Some members of the Board pay Drainage Rates at the prevailing rate.

Black Sluice Internal Drainage Board Notes to the Accounts

8 Tangible Fixed Assets

	Land & Operational Buildings £	Pumping Stations £	Non Operational Property £	Vehicles, Plant & Equipment £	Total £
Cost					
Opening Balance	739,350	3,861,354	130,000	1,529,207	6,259,911
Additions	0	0	0	118,355	118,355
Disposals	0	0	0	(70,770)	(70,770)
Revaluation	0	0	0	0	0
As at 31st March 2019	739,350	3,861,354	130,000	1,576,792	6,307,496
Depreciation					
Opening Balance	0	0	0	(766,204)	(766,204)
Disposals	0	0	0	68,490	68,490
Charge for year	0	0	0	(155,469)	(155,469)
As at 31st March 2019	0	0	0	(853,183)	(853,183)
Net Book Value					
As at 31st March 2018	739,350	3,861,354	130,000	763,003	5,493,707
As at 31st March 2019	739,350	3,861,354	130,000	723,609	5,454,313

9 Debtors & Payment in Advance

	2018/19 £	2017/18 £
Trade Debtors	133,939	85,965
Prepayments	71,126	74,636
Officers Car Loans	22,391	25,672
Rechargeable Work in Progress	5,730	7,377
HM Revenue & Customs (VAT)	(60,483)	(15,062)
Grants Debtor	0	0
Drainage Rate Debtors	218	0
	172,921	178,588

10 Cash at Bank & in hand

	2018/19 £	2017/18 £
Bank Deposits	1,236,463	1,321,424
Petty Cash	200	252
	1,236,663	1,321,676

11 Creditors

	2018/19 £	2017/18 £
Trade Creditors	278,993	162,179
Accruals	266,316	154,710
	545,309	316,889

12 Reserves

	Balance 31/03/2018	Additions in Year	Withdrawals in year	Balance 31/03/2019
Capital Reserve	5,493,709	116,074	(155,468)	5,454,315
Pension Reserve	(3,353,000)		(302,000)	(3,655,000)
Investment Revaluation Reserve			(9,191)	(9,191)
Revenue Reserve	1,166,812	75,214		1,242,026
Development Reserve	126,773	33,330	(5,000)	155,103
Plant Reserve	(118,399)	267,348	(119,028)	29,921
Wages Oncost Reserve	40,103	91,765	(161,745)	(29,877)
	3,355,998	583,731	(752,432)	3,187,297

Development Reserve- The Board makes a one off charge to developers to allow an increase in flow into the Board's drainage system. These charges are kept in the Development Fund and used to fund future improvements to the Board's drainage system to accommodate these additional flows.

Plant Reserve - The Plant Fund generates income internally throughout the year from all works carried out using the Board's plant. Offset against this income are all the expenses related to the plant and the fund is built up to replace the plant items when required. The depreciation is also charged to this account.

Wages Oncost Reserve - The Wages Oncost Fund generates income internally throughout the year from all work using the Board's Labour. Offset against this income are all the expenses related to employing the workforce.